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STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

EIGHTY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 25, 1992

The House of Representatives convened at 1:00 p.m. and was called to order by Dee Long, Speaker of the House.

Prayer was offered by Monsignor James D. Habiger, House Chaplain.

The roll was called and the following members were present:

Abrams	Frederick	Kelso	Olson, E.	Smith
Anderson, I.	Frerichs	Kinkel	Olson, K.	Solberg
Anderson, R.	Garcia	Knickerbocker	Omann	Sparby
Anderson, R. H.	Girard	Koppendrayer	Onnen	Stanius
Battaglia	Goodno	Krambeer	Orenstein	Steensma
Bauerly	Greenfield	Krinkie	Orfield	Sviggum
Beard	Gruenes	Krueger	Osthoff	Swenson
Begich	Gutknecht	Lasley	Ostrom	Thompson
Bertram	Hanson	Leppik	Ozment	Tompkins
Bettermann	Hartle	Lieder	Pauly	Trimble
Bishop	Hasskamp	Lourey	Pellow	Tunheim
Blatz	Haukoos	Lynch	Pelowski	Uphus
Bodahl	Hausman	Macklin	Peterson	Valento
Boo	Heir	Mariani	Pugh	Vanasek
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejcman
Dauner	Jaros	Morrison	Runbeck	Welker
Davids	Jefferson	Munger	Sarna	Welle
Dawkins	Jennings	Murphy	Schafer	Wenzel
Dempsey	Johnson, A.	Nelson, S.	Schreiber	Winter
Dille	Johnson, R.	Newinski	Seaberg	Spk. Long
Dorn	Johnson, V.	O'Connor	Segal	
Erhardt	Kahn	Ogren	Simoneau	
Farrell	Kalis	Olsen, S.	Skoglund	

A quorum was present.

Limmer and Nelson, K., were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Gutknecht moved that further reading of the Journal be

(3) any license required to practice the following occupation regulated by the following sections:

(a) abstracters regulated pursuant to chapter 386;

(b) accountants regulated pursuant to chapter 326;

(c) adjusters regulated pursuant to chapter 72B;

(d) architects regulated pursuant to chapter 326;

(e) assessors regulated pursuant to chapter 270;

(f) attorneys regulated pursuant to chapter 481;

(g) auctioneers regulated pursuant to chapter 330;

(h) barbers regulated pursuant to chapter 154;

(i) beauticians regulated pursuant to chapter 155A;

(j) boiler operators regulated pursuant to chapter 183;

(k) chiropractors regulated pursuant to chapter 148;

(l) collection agencies regulated pursuant to chapter 332;

(m) cosmetologists regulated pursuant to chapter 155A;

(n) dentists, registered dental assistants, and dental hygienists regulated pursuant to chapter 150A;

(o) detectives regulated pursuant to chapter 326;

(p) electricians regulated pursuant to chapter 326;

(q) embalmers regulated pursuant to chapter 149;

(r) engineers regulated pursuant to chapter 326;

(s) insurance brokers and salespersons regulated pursuant to chapter 60A;

(t) certified interior designers regulated pursuant to chapter 326;

(u) midwives regulated pursuant to chapter 148;

~~(u)~~ (v) morticians regulated pursuant to chapter 149;

~~(v)~~ (w) nursing home administrators regulated pursuant to chapter 144A;

~~(w)~~ (x) optometrists regulated pursuant to chapter 148;

~~(x)~~ (y) osteopathic physicians regulated pursuant to chapter 147;

~~(y)~~ (z) pharmacists regulated pursuant to chapter 151;

~~(z)~~ (aa) physical therapists regulated pursuant to chapter 148;

~~(aa)~~ (bb) physicians and surgeons regulated pursuant to chapter 147;

~~(bb)~~ (cc) plumbers regulated pursuant to chapter 326;

~~(cc)~~ (dd) podiatrists regulated pursuant to chapter 153;

~~(dd)~~ (ee) practical nurses regulated pursuant to chapter 148;

~~(ee)~~ (ff) professional fundraisers regulated pursuant to chapter 309;

~~(ff)~~ (gg) psychologists regulated pursuant to chapter 148;

~~(gg)~~ (hh) real estate brokers, salespersons, and others regulated pursuant to chapters 82 and 83;

~~(hh)~~ (ii) registered nurses regulated pursuant to chapter 148;

~~(ii)~~ (jj) securities brokers, dealers, agents, and investment advisers regulated pursuant to chapter 80A;

~~(jj)~~ (kk) steamfitters regulated pursuant to chapter 326;

~~(kk)~~ (ll) teachers and supervisory and support personnel regulated pursuant to chapter 125;

~~(ll)~~ (mm) veterinarians regulated pursuant to chapter 156;

~~(mm)~~ (nn) watchmakers regulated pursuant to chapter 326;

~~(nn)~~ (oo) water conditioning contractors and installers regulated pursuant to chapter 326;

~~(oo)~~ (pp) water well contractors regulated pursuant to chapter 156A;

~~(pp)~~ (qq) water and waste treatment operators regulated pursuant to chapter 115;

~~(qq)~~ (rr) motor carriers regulated pursuant to chapter 221;

~~(rr)~~ (ss) professional corporations regulated pursuant to chapter 319A;

(4) any driver's license required pursuant to chapter 171;

(5) any aircraft license required pursuant to chapter 360;

(6) any watercraft license required pursuant to chapter 86B;

(7) any license, permit, registration, certification, or other approval pertaining to a regulatory or management program related to the protection, conservation, or use of or interference with the resources of land, air, or water, which is required to be obtained from a state agency or instrumentality; and

(8) any pollution control rule or standard established by the pollution control agency or any health rule or standard established by the commissioner of health or any licensing rule or standard established by the commissioner of human services.

Sec. 2. Minnesota Statutes 1990, section 319A.02, subdivision 2, is amended to read:

Subd. 2. "Professional service" means personal service rendered by a professional pursuant to a license or certificate issued by the state of Minnesota to practice medicine and surgery pursuant to sections 147.01 to 147.29, chiropractic pursuant to sections 148.01 to 148.105, registered nursing pursuant to sections 148.171 to 148.285, optometry pursuant to sections 148.52 to 148.62, psychology pursuant to sections 148.88 to 148.98, dentistry pursuant to sections 150A.01 to 150A.12, pharmacy pursuant to sections 151.01 to 151.40, podiatric medicine pursuant to Laws 1987, chapter 108, sections 1 to 16, veterinary medicine pursuant to sections 156.001 to 156.14, architecture, engineering, surveying, ~~and~~ landscape architecture, and certified interior design pursuant to sections 326.02 to 326.15, accountancy pursuant to sections 326.17 to 326.23, or law pursuant to sections 481.01 to 481.17, or pursuant to a license or certificate issued by another state pursuant to similar laws.

Sec. 3. Minnesota Statutes 1990, section 326.02, subdivision 1, is amended to read:

Subdivision 1. [~~REGISTRATION~~ LICENSURE OR CERTIFICATION MANDATORY.] In order to safeguard life, health, and property, and to promote the public welfare, any person in either public

or private capacity practicing, or offering to practice, architecture, professional engineering, land surveying, or landscape architecture, or using the title certified interior designer in this state, either as an individual, a copartner, or as agent of another, shall be ~~registered~~ licensed or certified as hereinafter provided. It shall be unlawful for any person to practice, or to offer to practice, in this state, architecture, professional engineering, land surveying, or landscape architecture, or to use the title certified interior designer, or to solicit or to contract to furnish work within the terms of sections 326.02 to 326.15, or to use in connection with the person's name, or to otherwise assume, use or advertise any title or description tending to convey the impression that the person is an architect, professional engineer (hereinafter called engineer), land surveyor ~~or~~, landscape architect, or certified interior designer, unless such person is qualified by ~~registration~~ licensure or certification under sections 326.02 to 326.15.

Sec. 4. Minnesota Statutes 1990, section 326.02, is amended by adding a subdivision to read:

Subd. 4b. [CERTIFIED INTERIOR DESIGNER.] (a) For the purposes of sections 326.02 to 326.15, "certified interior designer" means a person who is certified under section 326.10, to use the title certified interior designer and who provides services in connection with the design of public interior spaces, including preparation of documents relative to non-load-bearing interior construction, space planning, finish materials, and furnishings.

(b) No person may use the title certified interior designer unless that person has been certified as an interior designer or has been exempted by the board. Registered architects may be certified without additional testing. Persons represent themselves to the public as certified interior designers if they use a title that incorporates the words certified interior designer.

(c) Nothing in this section prohibits the use of the title interior designer or the term interior design by persons not certified by the board.

(d) Nothing in this section restricts persons not certified by the board from providing interior design services and from saying that they provide such services, as long as they do not use the title certified interior designer.

(e) Nothing in this section authorizes certified interior designers to engage in the practice of architecture as defined in subdivision 2 or the practice of engineering as defined in subdivision 3.

Sec. 5. Minnesota Statutes 1990, section 326.02, subdivision 5, is amended to read:

Subd. 5. [LIMITATION.] The provisions of sections 326.02 to 326.15 shall not apply to the preparation of plans and specifications for the erection, enlargement, or alteration of any building or other structure by any person, for that person's exclusive occupancy or use, unless such occupancy or use involves the public health or safety or the health or safety of the employees of said person, or of the buildings listed in section 326.03, subdivision 2, nor to any detailed or shop plans required to be furnished by a contractor to a registered engineer, landscape architect, ~~or~~ architect, or certified interior designer, nor to any standardized manufactured product, nor to any construction superintendent supervising the execution of work designed by an architect, landscape architect, ~~or~~ engineer ~~registered~~, or certified interior designer licensed or certified in accordance with section 326.03, nor to the planning for and supervision of the construction and installation of work by an electrical contractor or master plumber as defined in and licensed pursuant to this chapter, where such work is within the scope of such licensed activity and not within the practice of professional engineering, or architecture, or where the person does not claim to be a certified interior designer as defined in ~~section 326.02, subdivisions~~ subdivision 2 ~~and~~, 3, or 4b.

Sec. 6. Minnesota Statutes 1990, section 326.03, subdivision 1, is amended to read:

Subdivision 1. No person, except an architect, engineer, land surveyor ~~or~~, landscape architect, or certified interior designer, licensed or certified as provided for in sections 326.02 to 326.15 shall practice architecture, professional engineering, land surveying, or landscape architecture, or use the title certified interior designer, respectively, in the preparation of plans, specifications, reports, plats or other architectural, engineering, land surveying ~~or~~, landscape architectural, or interior design documents, or in the observation of architectural, engineering, land surveying ~~or~~, landscape architectural, or interior design projects. In preparation of such documents, reasonable care shall be given to compliance with applicable laws, ordinances, and building codes relating to design.

Sec. 7. Minnesota Statutes 1990, section 326.031, is amended to read:

326.031 [SPECIFICATIONS FOR PUBLIC FACILITIES, USE OF BRAND NAMES.]

Any engineer, architect, certified interior designer, or other person preparing specifications with respect to a contract for the construction of any facility for the state, or any agency or department thereof, or for any county, city, town, or school district, shall at the time of submitting such specifications to the governing body of the organization requesting the specifications, submit to such body, in writing, a list showing each item in the specifications which has

been specified by brand name, unless such specifications allow for the consideration of an equal.

Sec. 8. Minnesota Statutes 1991 Supplement, section 326.04, is amended to read:

326.04 [BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING ~~AND~~, LANDSCAPE ARCHITECTURE, AND INTERIOR DESIGN.]

To carry out the provisions of sections 326.02 to 326.15 there is hereby created a board of architecture, engineering, land surveying ~~and~~, landscape architecture, and interior design (hereinafter called the board) consisting of ~~17~~ 20 members, who shall be appointed by the governor. Three members shall be licensed architects, five members shall be licensed engineers, one member shall be a licensed landscape architect, two members shall be licensed land surveyors, one member shall be a certified interior designer, and ~~six~~ eight members shall be public members. Not more than one member of said board shall be from the same branch of the profession of engineering. The first ~~landscape architect~~ certified interior designer member and seventh and eighth members shall be appointed as soon as possible and no later than 60 days after August 1, ~~1975~~ 1992, and shall serve for a term to end on January 1, ~~1977~~ 1994. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214.

Sec. 9. Minnesota Statutes 1990, section 326.05, is amended to read:

326.05 [QUALIFICATIONS OF BOARD MEMBERS.]

Each member of the board shall be a resident of this state at the time of appointment. Each member except the public members shall have been engaged in the practice of the relevant profession for at least ten years and shall have been in responsible charge of work for at least five years. Each such member shall be a member in good standing of a recognized society of architects, engineers, land surveyors ~~or~~, landscape architects, or interior designers; and, except as provided in section 326.06, shall be a licensed architect, licensed engineer, licensed land surveyor ~~or~~, licensed landscape architect, or certified interior designer. The certified interior design member must have passed the National Council for Interior Design Qualifications test.

Sec. 10. Minnesota Statutes 1990, section 326.06, is amended to read:

326.06 [GENERAL POWERS AND DUTIES OF BOARD.]

Each member of the board shall receive a certificate of appointment from the governor, and, before beginning a term of office, shall file with the secretary of state the constitutional oath of office. The board shall adopt and have an official seal, which shall be affixed to all licenses granted; shall make all rules, not inconsistent with law, needed in performing its duties; and shall fix standards for determining the qualifications of applicants for certificates, which shall not exceed the requirements contained in the curriculum of a recognized school of architecture, landscape architecture ~~or~~, engineering, or interior design. The board shall make rules to define classes of buildings with respect to which persons performing services described in section 326.03, subdivision 2, may be exempted from the provisions of sections 326.02 to 326.15, by a finding of no probable risk to life, health, property or public welfare.

Sec. 11. Minnesota Statutes 1990, section 326.07, is amended to read:

326.07 [BOARD, MEETINGS OF, OFFICERS, QUORUM.]

The board shall hold meetings at such times as the bylaws of the board may provide. Notice of all meetings shall be given in such manner as the bylaws may provide. The board shall elect annually from its members a chair, a vice-chair, a secretary and a treasurer. A quorum of the board shall consist of not less than ~~nine~~ ten members, of whom ~~three~~ four shall be architects ~~or~~, landscape architects ~~or~~, land surveyors, or certified interior designers, three engineers, and three public members.

Sec. 12. Minnesota Statutes 1990, section 326.08, subdivision 2, is amended to read:

Subd. 2. Any member of the board, the executive secretary of the board, or the attorney for the board may be authorized by the board to attend any architectural, engineering, land surveying ~~or~~, landscape architectural, or interior design conference or meeting held outside of this state, the major purpose of which is the consideration of problems directly associated with the registration or licensing of architects, professional engineers, land surveyors ~~or~~, landscape architects, or certified interior designers.

Sec. 13. Minnesota Statutes 1990, section 326.09, is amended to read:

326.09 [RECORDS OF BOARD.]

The board shall keep a record of its proceedings and a register of all applicants for licensing, showing for each the date of application, name, age, educational and other qualifications, place of business, and the place of residence, whether or not an examination was required and whether the applicant was rejected or a license granted, and the date of such action. The books and register of the board shall be prima facie evidence of all matters recorded therein. A roster showing the names and places of business or of residence of all licensed architects, engineers, land surveyors ~~and~~, landscape architects, and certified interior designers shall be prepared by the executive secretary of the board during the month of July, of each even numbered year. Roster supplements listing newly licensed persons shall be published semiannually between publications of the biennial roster. Rosters may be printed out of the funds of the board, as provided in section 326.08.

Sec. 14. Minnesota Statutes 1990, section 326.10, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE.] The board shall on application therefor on a prescribed form, and upon payment of a fee prescribed by rule of the board, issue a license or certificate as an architect, engineer, land surveyor ~~or~~, landscape architect, or certified interior designer. A separate fee shall be paid for each profession licensed.

(1) To any person over 25 years of age, who is of good moral character and repute, and who has the experience and educational qualifications which the board by rule may prescribe.

(2) To any person who holds an unexpired certificate of registration or license issued by proper authority in the District of Columbia, any state or territory of the United States, or any foreign country, in which the requirements for registration or licensure of architects, engineers, land surveyors ~~or~~, landscape architects, or certified interior designers, respectively, at the time of registration or licensure in the other jurisdiction, were equal, in the opinion of the board, to those fixed by the board and by the laws of this state, and in which similar privileges are extended to the holders of certificates of registration or licensure issued by this state. The board may require such person to submit a certificate of technical qualification from the National Council of Architectural Registration Boards in the case of an architect, from the National Council of Engineering Examiners in the case of an engineer, ~~and~~ from the National Council of Landscape Architects Registration Board in the case of a landscape architect, and from the National Council for Interior Design Qualifications in the case of a certified interior designer.

Sec. 15. Minnesota Statutes 1990, section 326.10, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION.] The board may subject any applicant for licensure to such examinations as may be deemed necessary to establish qualifications.

In determining the qualifications in such cases of applicants for licensure as architects, a majority vote of the architect members of the board only shall be required; in determining the qualifications in such cases of applicants for licensure as engineers, a majority vote of the engineer members of the board only, shall be required; ~~and~~ in determining the qualifications of applicants for registration as land surveyors, the affirmative vote of the land surveyor member and of one engineer of the board only, shall be required; ~~and~~ in determining the qualifications of applicants for licensure as landscape architects, the affirmative vote of the landscape architect member of the board and of one architect member or one civil engineer member of the board only, shall be required; and in determining the qualifications of applicants for certification as certified interior designers, the affirmative vote of the interior designer member of the board, of two public members, and of one architect or engineer member of the board only, is required.

Sec. 16. Minnesota Statutes 1990, section 326.10, subdivision 2a, is amended to read:

Subd. 2a. [NEEDS OF PHYSICALLY DISABLED, INCLUSION IN EXAMINATION.] Examinations for architect, civil structural engineer, ~~and~~ landscape architect, and certified interior designer shall include questions which require the applicant to demonstrate knowledge of the design needs of people with physical disabilities and of the relevant statutes and codes. The questions shall be developed by the board in consultation with the department of administration.

Sec. 17. Minnesota Statutes 1990, section 326.11, subdivision 1, is amended to read:

Subdivision 1. [REVOCATION OR SUSPENSION.] The board shall have the power to revoke or suspend the license or certificate of any architect, engineer, land surveyor ~~or~~, landscape architect, or certified interior designer, who is found guilty by the board of any fraud or deceit in obtaining a license or certificate, or of attaching the licensee's or certificate holder's seal or signature to any plan, specification, report, plat, or other architectural, engineering, land surveying ~~or~~, landscape architectural, or interior design document not prepared by the person signing or sealing it or under that person's direct supervision, or of gross negligence, incompetency, or misconduct in the practice of architecture, engineering, land surveying ~~or~~, landscape architecture, or interior design, or upon conviction of any violation of sections 326.02 to 326.15 or amendments thereof, or of any crime involving moral turpitude or upon adjudication of insanity or incompetency.

Sec. 18. Minnesota Statutes 1990, section 326.12, is amended to read:

326.12 [LICENSE AS EVIDENCE; SEAL.]

Subdivision 1. [JUDICIAL PROOF.] The issuance of a license or certificate by the board shall be evidence that the person named therein is entitled to all the rights and privileges of a licensed architect, licensed engineer, licensed land surveyor ~~or~~, licensed landscape architect, or certified interior designer while the license or certificate remains unrevoked or has not expired or has not been suspended.

Subd. 2. [SEAL.] Each licensee or certificate holder may, upon registration, obtain a seal of a design approved by the board, bearing the licensee's or certificate holder's name and the legend "licensed architect," "licensed professional engineer," "licensed land surveyor," ~~or~~ "licensed landscape architect," or "certified interior designer." Plans, specifications, plats, reports, and other documents prepared by a licensee or certificate holder may be stamped with the seal during the life of the license or certificate. A rubber stamp facsimile thereof may be used in lieu of the seal on tracings from which prints are to be made or on papers which would be damaged by the regular seal. It shall be unlawful for any one to stamp or seal any document with the stamp or seal after the license of the registrant named thereon has expired, been revoked or suspended, unless said license or certificate shall have been renewed or reissued.

Subd. 3. [CERTIFIED SIGNATURE.] Each plan, specification, plat, report, or other document which under sections 326.02 to 326.15 ~~require be~~ is prepared and submitted to a building official by a licensed architect, licensed engineer, licensed land surveyor ~~or~~, licensed landscape architect, or certified interior designer shall be required to bear only the signature of the licensed or certified person preparing it, or the signature of the licensed or certified person under whose direct supervision it was prepared. Each signature shall be accompanied by a certification that the signer is licensed under sections 326.02 to 326.15, by the person's license number, and by the date on which the signature was affixed. The provisions of this paragraph shall not apply to documents of an intraoffice or intracompany nature.

Sec. 19. Minnesota Statutes 1990, section 326.13, is amended to read:

326.13 [PRACTICE EXEMPT.]

Practice of architecture, engineering, landscape architecture, or land surveying, or use of the title certified interior designer in this state prior to licensure by the board shall be permitted under the following conditions and limitations:

(1) By any person or firm not a resident of and having no established place of business in this state, or any person or firm resident in this state, but whose arrival in the state is recent; provided, however, such person or a person connected with such firm:

(a) is registered or licensed and qualified to practice such profession in a state or country to which the board grants registration or licensure by comity in accordance with the provisions of section 326.10, subdivision 1, clause (2); and

(b) shall have filed an application for licensure as an architect ~~or~~, an engineer, or a certified interior designer shall have paid the fee provided for in section 326.10, and shall have been notified by the board that the applicant meets the requirements for licensure or certification in this state and is entitled to receive a license or certificate;

(c) notwithstanding the provisions of paragraph (b) and prior to the notification provided for therein, an applicant who meets the requirements of paragraph (a) shall be permitted to practice in this state provided that such practice is limited solely to solicitation of work within the terms of sections 326.02 to 326.15;

(2) Practice as an architect, an engineer, a land surveyor, or a landscape architect, or use of the title certified interior designer by any person not a resident of, and having no established place of business in, this state, as a consulting associate of an architect, an engineer, a land surveyor, or a landscape architect, or use of the title certified interior designer licensed or certified under the provisions of sections 326.02 to 326.15; provided, the nonresident is licensed or certified and qualified to practice the profession in a state or country to which the board grants licensure or certification by comity in accordance with the provisions of section 326.10, subdivision 1, clause (2);

(3) Practice as an architect, an engineer, a land surveyor, or a landscape architect, or use of the title certified interior designer solely as an officer or employee of the United States.

Sec. 20. Minnesota Statutes 1990, section 326.14, is amended to read:

326.14 [CORPORATIONS AND PARTNERSHIPS AUTHORIZED.]

A corporation, partnership or other firm may engage in work of an architectural or engineering character, in land surveying or in landscape architecture, or use the title of certified interior designer in this state, provided the person or persons connected with such corporation, partnership or other firm in responsible charge of such

work is or are licensed or certified as herein required for the practice of architecture, engineering, land surveying, and landscape architecture, and use of the title of certified interior designer.

Sec. 21. [EXISTING INTERIOR DESIGNERS.]

Persons who on July 1, 1992, are in the business of interior design and who have filed a certification application with the board by September 1, 1993, shall be allowed to continue in that business and use the title certified interior designer as if certified under this act until final action is taken by the board on their application.

Sec. 22. [REVISOR'S INSTRUCTION.]

The revisor of statutes shall, in Minnesota Statutes and Minnesota Rules, change the words "board of architecture, engineering, land surveying, and landscape architecture" or similar words to "board of architecture, engineering, land surveying, landscape architecture, and interior design" or similar words."

Delete the title and insert:

"A bill for an act relating to occupations and professions; requiring the certification of interior designers; defining certified interior designer; providing for administration of certification requirements; changing the name of the board of architecture, engineering, land surveying, and landscape architecture; amending Minnesota Statutes 1990, sections 116J.70, subdivision 2a; 319A.02, subdivision 2; 326.02, subdivisions 1, 5, and by adding a subdivision; 326.03, subdivision 1; 326.031; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, and 2a; 326.11, subdivision 1; 326.12; 326.13; and 326.14; Minnesota Statutes 1991 Supplement, section 326.04."

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1680, A bill for an act relating to financial institutions; regulating bank charters, the purchase and sale of property, relocations, loans, detached facilities, capital and surplus requirements, and clerical services; regulating the report and audit schedules and account insurance of credit unions; regulating business changes of industrial loan and thrifts; regulating business changes, license requirements, loan security, and interest rates of regulated lenders;

providing special corporate voting and notice provisions for banking corporations; amending Minnesota Statutes 1990, sections 46.041, subdivision 4; 46.044; 46.047, subdivision 2; 46.048, subdivision 3; 46.131, subdivision 4; 47.10; 47.101, subdivision 3; 47.20, subdivisions 2, 4a, and 5; 47.52; 47.54; 47.55; 48.02; 48.89, subdivision 5; 49.34, subdivision 2; 52.06, subdivision 1; 52.24, subdivision 1; 53.03, subdivision 5; 56.04; 56.07; 56.12; 56.125, subdivision 2; 56.131, subdivision 4; 300.23; 300.52, subdivision 1; repealing Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 46.041, subdivision 4, is amended to read:

Subd. 4. [HEARING.] In any case in which the commissioner grants a request for a hearing, the commissioner shall fix a time for a hearing conducted pursuant to chapter 14 to decide whether or not the application will be granted. A notice of the hearing must be published by the applicant in the form prescribed by the commissioner in a newspaper published in the municipality in which the proposed bank is to be located, and if there is no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice must be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicants and witnesses that appear in favor of or against the granting of the application of the proposed bank. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the ~~state treasurer and credited by the treasurer to~~ department of commerce to be deposited in the general fund, must be paid by the applicant and 50 percent equally by the intervening parties.

Sec. 2. Minnesota Statutes 1990, section 46.044, is amended to read:

46.044 [CHARTERS ISSUED, CONDITIONS.]

If (1) the applicants are of good moral character and financial integrity, (2) there is a reasonable public demand for this bank in this location, (3) the organization expenses being paid by the ~~subscribing shareholders~~ bank do not exceed ~~the necessary legal expenses incurred in drawing incorporation papers and the publication and the recording thereof, as required by law~~ those allowed by section 46.043, (4) the probable volume of business in this location is sufficient to insure and maintain the solvency of the new bank and

the solvency of the then existing bank or banks in the locality without endangering the safety of any bank in the locality as a place of deposit of public and private money, (5) the commissioner of commerce is satisfied that the proposed bank will be properly and safely managed, and (6) the applicant, if it is an interstate bank holding company, as defined in section 48.92, has provided developmental loans as required by section 48.991, and has complied with the net new funds reporting requirements of section 48.93, the application must be granted; otherwise it must be denied. In case of the denial of the application, the commissioner of commerce shall specify the grounds for the denial. A person aggrieved, may obtain judicial review of the determination in accordance with chapter 14.

Sec. 3. Minnesota Statutes 1990, section 46.047, subdivision 2, is amended to read:

Subd. 2. [BANKING INSTITUTION.] The term "banking institution" means a bank, trust company, bank and trust company, mutual savings bank, or thrift institution, that is organized under the laws of this state or a holding company which owns or otherwise controls the banking institution.

Sec. 4. Minnesota Statutes 1990, section 46.048, subdivision 3, is amended to read:

Subd. 3. [BACKGROUND CHECKS.] In addition to any other information the commissioner may be able to obtain pursuant to section 13.82, the Minnesota bureau of criminal apprehension shall, upon the commissioner's request, provide fingerprint and background checks on all persons named in the notice required by subdivision 2 and Public Law Number 92-544.

Sec. 5. Minnesota Statutes 1990, section 46.07, subdivision 2, is amended to read:

Subd. 2. [CONFIDENTIAL RECORDS.] The commissioner shall divulge facts and information obtained in the course of examining financial institutions under the commissioner's supervision only when and to the extent required or permitted by law to report upon or take special action regarding the affairs of an institution, or ordered by a court of law to testify or produce evidence in a civil or criminal proceeding, except that the commissioner may furnish information as to matters of mutual interest to an official or examiner of the federal reserve system, the Federal Deposit Insurance Corporation, the ~~Federal Savings and Loan Insurance Corporation~~ federal office of thrift supervision, the federal home loan bank system, the National Credit Union Administration, comptroller of the currency, a legally constituted state credit union share insurance corporation approved under section 52.24, ~~the issuer of a commitment for insurance or guarantee of the certificates of an industrial loan and thrift company approved under section 53.10,~~ or state and

federal law enforcement agencies. The commissioner shall not be required to disclose the name of a debtor of a financial institution under the commissioner's supervision, or anything relative to the private accounts, ownership, or transactions of an institution, or any fact obtained in the course of an examination thereof, except as herein provided. For purposes of this subdivision, a subpoena is not an order of a court of law. These records are classified confidential or protected nonpublic for purposes of the Minnesota government data practices act and their destruction, as prescribed in section 46.21, is exempt from the provisions of chapter 138 and Laws 1971, chapter 529, so far as their deposit with the state archives.

Sec. 6. Minnesota Statutes 1990, section 47.10, is amended to read:

47.10 [REAL ESTATE; ACQUISITION, HOLDING.]

Subdivision 1. [AUTHORITY, APPROVAL, LIMITATIONS.] (a) Except as otherwise specially provided, the net book value of land and buildings for the transaction of the business of the corporation, including parking lots and premises leased to others, shall not be more than as follows:

(1) for a bank, trust company or stock savings association, if investment is for acquisition and improvements to establish a new bank, or is for improvements to existing property or acquisition and improvements to adjacent property, approval by the commissioner of commerce is not required if the total investment does not exceed 50 percent of its existing capital stock and paid-in surplus. Upon written prior approval of the commissioner of commerce, a bank, trust company or stock savings association may invest in the property and improvements in clause (1) or for acquisition of nonadjacent property for expansion or future use, if the aggregate of all such investments does not exceed 75 percent of its existing capital stock and paid-in surplus;

(2) for a savings bank, 50 percent of its net surplus;

(3) for a mutual building and loan association, five percent of its net assets.

(b) For purposes of this subdivision, an intervening highway, street, road, alley, other public thoroughfare, or easement of any kind does not cause two parcels of real property to be nonadjacent.

Subd. 2. [BOOKS AND RECORDS.] With the exception of annual amortization charges which are made in accordance with generally accepted accounting principles, no state bank, trust company, savings bank, or building and loan association shall decrease the actual

cost of the investment as shown on its books by a charge to any of its capital accounts unless approved by the commissioner.

Subd. 3. [LEASEHOLD PLACE OF BUSINESS; APPROVAL OF CERTAIN LEASE AGREEMENTS.] No bank, trust company, savings bank, or building and loan association may acquire real property and improvements of any nature to it for its place of business by lease agreement if the lessor has an existing direct or indirect interest in the management or ownership of the bank, trust company, savings bank, or building and loan association without prior written approval by the commissioner. This includes subsequent amendments and associated leasehold improvements.

Subd. 4. [APPROVAL OF CERTAIN INSIDER AGREEMENTS.] No bank, trust company, savings bank, or savings association may purchase or sell real property, personal property, improvements or equipment of a value of $25,000 or more if the purchaser or seller other than the bank, trust company, savings bank, or savings association has an existing direct or indirect interest in the institution without prior written approval by the commissioner. Each bank, trust company, savings bank, or savings association must maintain documentation of transactions with interested parties, including personal property leases and purchases or sales of under $25,000, which demonstrates the commercial reasonableness and fair market value of the transaction.

Sec. 7. Minnesota Statutes 1990, section 47.101, subdivision 3, is amended to read:

Subd. 3. [APPLICATIONS TO DEPARTMENT OF COMMERCE.] An application by a banking institution to relocate its main office outside a radius of three miles measured in a straight line~~, or referred from the commissioner of commerce pursuant to subdivision 2,~~ shall be approved or disapproved by the commissioner of commerce as provided for in sections 46.041 and 46.044.

Sec. 8. Minnesota Statutes 1990, section 47.20, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section the terms defined in this subdivision have the meanings given them:

(1) "Actual closing costs" mean reasonable charges for or sums paid for the following, whether or not retained by the mortgagee or lender:

(a) Any insurance premiums including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance, but excluding any

charges or sums retained by the mortgagee or lender as self-insured retention.

(b) Abstracting, title examination and search, and examination of public records.

(c) The preparation and recording of any or all documents required by law or custom for closing a conventional or cooperative apartment loan.

(d) Appraisal and survey of real property securing a conventional loan or real property owned by a cooperative apartment corporation of which a share or shares of stock or a membership certificate or certificates are to secure a cooperative apartment loan.

(e) A single service charge, which includes any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional or cooperative apartment loan, and also includes any consideration received by the lender for making a borrower's interest rate commitment or for making a borrower's loan commitment, whether or not an actual loan follows the commitment. The term service charge does not include forward commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional or cooperative apartment loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge.

(f) Charges and fees necessary for or related to the transfer of real or personal property securing a conventional or cooperative apartment loan or the closing of a conventional or cooperative apartment loan paid by the borrower and received by any party other than the lender.

(2) "Contract for deed" means an executory contract for the conveyance of real estate, the original principal amount of which is less than $100,000. A commitment for a contract for deed shall include an executed purchase agreement or earnest money contract wherein the seller agrees to finance any part or all of the purchase price by a contract for deed.

(3) "Conventional loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made

pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than $100,000, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the farmers home administration, and which is not made pursuant to the authority granted in subdivision 1, clause (3) or (4). The term mortgage does not include contracts for deed or installment land contracts.

(4) "Cooperative apartment loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than $100,000, secured by a security interest on a share or shares of stock or a membership certificate or certificates issued to a stockholder or member by a cooperative apartment corporation, which may be accompanied by an assignment by way of security of the borrower's interest in the proprietary lease or occupancy agreement in property issued by the cooperative apartment corporation and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the farmers home administration.

(5) "Cooperative apartment corporation" means a corporation or cooperative organized under chapter 308A or 317A, the shareholders or members of which are entitled, solely by reason of their ownership of stock or membership certificates in the corporation or association, to occupy one or more residential units in a building owned or leased by the corporation or association.

(6) "Forward commitment fee" means a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of apartments as defined in section 515.02 to be created out of existing structures pursuant to the Minnesota condominium act, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make cooperative apartment loans to two or more credit worthy purchasers, including future purchasers, of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation; provided, that the forward commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(7) "Borrower's interest rate commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees that, if a conventional or cooperative apartment loan is made following issuance of and pursuant to the commitment, the conventional or cooperative apartment loan shall be made at a rate of interest not in excess of the rate of interest agreed to in the commitment, provided that the rate of interest agreed to in the commitment is not in excess of the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower.

(8) "Borrower's loan commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees to make a conventional or cooperative apartment loan pursuant to the provisions, including the interest rate, of the commitment, provided that the commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the commitment is issued and the commitment when issued and agreed to shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional or cooperative apartment loan within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower; provided that a lender who issues a borrower's loan commitment pursuant to the provisions of a forward commitment is authorized to issue the borrower's loan commitment at a rate of interest not to exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(9) "Finance charge" means the total cost of a conventional or cooperative apartment loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional or cooperative apartment loan or against a seller of real property securing a conventional loan or a seller of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation securing a cooperative apartment loan, or any other party to the transaction except any actual closing costs and any forward commitment fee. The finance charges plus the actual closing costs and any forward commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional or cooperative apartment loan. The finance charge, with respect to wraparound mortgages, shall be computed based upon the face amount of the wraparound mortgage note, which face amount shall consist of the aggregate of those funds actually advanced by the wraparound lender and the total outstanding principal balances of the prior note or notes which have been made a part of the wraparound mortgage note.

(10) "Lender" means any person making a conventional or coop-

erative apartment loan, or any person arranging financing for a conventional or cooperative apartment loan. The term also includes the holder or assignee at any time of a conventional or cooperative apartment loan.

(11) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional or cooperative apartment loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c), and (d) of Regulation Z, Code of Federal Regulations, title 12, section 226, but using the definition of finance charge provided for in this subdivision. For purposes of this section, with respect to wraparound mortgages, the rate of interest or loan yield shall be based upon the principal balance set forth in the wraparound note and mortgage and shall not include any interest differential or yield differential between the stated interest rate on the wraparound mortgage and the stated interest rate on the one or more prior mortgages included in the stated loan amount on a wraparound note and mortgage.

(12) ~~"Monthly index of the federal home loan mortgage corporation auction yields" means the net weighted average yield of accepted offers in the eight month forward commitment program of the federal home loan mortgage corporation in a month.~~

~~(13)~~ "Person" means an individual, corporation, business trust, partnership or association or any other legal entity.

~~(14)~~ (13) "Residential unit" means any structure used principally for residential purposes or any portion thereof, and includes a unit in a townhouse or planned unit development, a condominium apartment, a nonowner occupied residence, and any other type of residence regardless of whether the unit is used as a principal residence, secondary residence, vacation residence, or residence of some other denomination.

~~(15)~~ (14) "Vendor" means any person or persons who agree to sell real estate and finance any part or all of the purchase price by a contract for deed. The term also includes the holder or assignee at any time of the vendor's interest in a contract for deed.

Sec. 9. Minnesota Statutes 1990, section 47.20, subdivision 4a, is amended to read:

Subd. 4a. [MAXIMUM INTEREST RATE.] No conventional or cooperative apartment loan or contract for deed shall be made at a rate of interest or loan yield in excess of a maximum lawful interest rate ~~which shall be based upon the monthly index of the federal home loan mortgage corporation auction yields as compiled by the federal home loan mortgage corporation. The maximum lawful interest rate shall be computed as follows:~~

~~(1) The maximum lawful rate of interest for a conventional or cooperative apartment loan or contract for deed made or contracted for during any calendar month is equal to the monthly index of the federal home loan mortgage corporation auction yields for the first preceding calendar month plus an additional three-eighths of one percent per annum rounded off to the next highest quarter of one percent per annum.~~

~~(2) On or before the last day of each month the commissioner of commerce shall determine, based on available statistics, the monthly index of the federal home loan mortgage corporation auction yields for that calendar month and shall determine the maximum lawful rate of interest for conventional or cooperative apartment loans or contracts for deed for the next succeeding month as defined in clause (1) and shall cause the maximum lawful rate of interest to be published in a legal newspaper in Ramsey county on or before the first day of each month or as soon thereafter as practicable and in the state register on or before the last day of each month; the maximum lawful rate of interest to be effective on the first day of that month. If a federal home loan mortgage corporation eight month forward commitment purchase program is not held in any month, the maximum lawful rate of interest determined by the commissioner of commerce pursuant to the last auction is the maximum lawful rate of interest through the last day of the month in which the next auction is held of 15.75 percent per annum.~~

~~(3)~~ (1) The maximum lawful interest rate applicable to a cooperative apartment loan or contract for deed at the time the loan or contract is made is the maximum lawful interest rate for the term of the cooperative apartment loan or contract for deed. Notwithstanding the provisions of section 334.01, a cooperative apartment loan or contract for deed may provide, at the time the loan or contract is made, for the application of specified different consecutive periodic interest rates to the unpaid principal balance, if no interest rate exceeds the maximum lawful interest rate applicable to the loan or contract at the time the loan or contract is made.

~~(4)~~ (2) Contracts for deed executed pursuant to a commitment for a contract for deed, or conventional or cooperative apartment loans made pursuant to a borrower's interest rate commitment or made pursuant to a borrower's loan commitment, or made pursuant to a commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment, which commitment provides for consummation within some future time following the issuance of the commitment may be consummated pursuant to the provisions, including the interest rate, of the commitment notwithstanding the fact that the maximum lawful rate of interest at the time the contract for deed or conventional or cooperative apartment loan is actually executed or made is less than the commitment rate of interest, provided the commitment rate of

interest does not exceed the maximum lawful interest rate in effect on the date the commitment was issued. The refinancing of (a) an existing conventional or cooperative apartment loan, (b) a loan insured or guaranteed by the secretary of housing and urban development, the administrator of veterans affairs, or the administrator of the farmers home administration, or (c) a contract for deed by making a conventional or cooperative apartment loan is deemed to be a new conventional or cooperative apartment loan for purposes of determining the maximum lawful rate of interest under this subdivision. The renegotiation of a conventional or cooperative apartment loan or a contract for deed is deemed to be a new loan or contract for deed for purposes of clause ~~(3)~~ (1) and for purposes of determining the maximum lawful rate of interest under this subdivision. A borrower's interest rate commitment or a borrower's loan commitment is deemed to be issued on the date the commitment is hand delivered by the lender to, or mailed to the borrower. A forward commitment is deemed to be issued on the date the forward commitment is hand delivered by the lender to, or mailed to the person paying the forward commitment fee to the lender, or to any one of them if there should be more than one. A commitment for a contract for deed is deemed to be issued on the date the commitment is initially executed by the contract for deed vendor or the vendor's authorized agent.

~~(5)~~ (3) A contract for deed executed pursuant to a commitment for a contract for deed, or a loan made pursuant to a borrower's interest rate commitment, or made pursuant to a borrower's loan commitment, or made pursuant to a forward commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the commitment was made continues to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

Sec. 10. Minnesota Statutes 1990, section 47.20, subdivision 5, is amended to read:

Subd. 5. (a) No conventional loan or loan authorized in subdivision 1 made on or after the effective date of Laws 1977, chapter 350 shall contain a provision requiring or permitting the imposition of a penalty in the event the loan or advance of credit is prepaid.

(b) A precomputed conventional loan or precomputed loan authorized in subdivision 1 shall provide for a refund of the precomputed finance charge according to the actuarial method if the loan is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date. The actuarial method for the purpose of this section is the amount of interest attributable to each fully unexpired monthly installment period of the loan contract following the date of prepayment in full calculated as if the loan was

made on an interest-bearing basis at the rate of interest provided for in the note based on the assumption that all payments were made according to schedule. A precomputed loan for the purpose of this section means a loan for which the debt is expressed as a sum comprised of the principal amount and the amount of interest for the entire term of the loan computed actuarially in advance on the assumption that all scheduled payments will be made when due and does not include a loan for which interest is computed from time to time by application of a rate to the unpaid principal balance, interest-bearing loans, or simple-interest loans. For the purpose of calculating a refund for precomputed loans under this section, any portion of the finance charge for extending the first payment period beyond one month may be ignored. Nothing in this section shall be considered a limitation on discount points or other finance charges charged or collected in advance, and nothing in this section shall require a refund of the charges in the event of prepayment. Nothing in this section shall be considered to supersede section 47.204.

Sec. 11. Minnesota Statutes 1990, section 47.52, is amended to read:

47.52 [AUTHORIZATION.]

(a) With the prior approval of the commissioner, any bank doing business in this state may establish and maintain not more than five detached facilities provided the facilities are located within the municipality in which the principal office of the applicant bank is located; or within 5,000 feet of its principal office measured in a straight line from the closest points of the closest structures involved; or within 100 miles of its principal office measured in a straight line from the closest points of the closest structures involved, if the detached facility is within any municipality in which no bank is located at the time of application or if the detached facility is in a municipality having a population of more than 10,000, as determined by the commissioner from the latest available data from the state demographer, or if the detached facility is located in a municipality having a population of 10,000 or less, as determined by the commissioner from the latest available data from the state demographer, and all the banks having a principal office in the municipality have consented in writing to the establishment of the facility.

(b) A detached facility shall not be closer than 50 feet to a detached facility operated by any other bank and shall not be closer than 100 feet to the principal office of any other bank, the measurement to be made in the same manner as provided above. This clause shall not be applicable if the proximity to the facility or the bank is waived in writing by the other bank and filed with the application to establish a detached facility.

(c) Any bank is allowed, in addition to other facilities, one drive-in

or walk-up facility located between 150 to 1,500 feet of the main banking house or within 1,500 feet from a detached facility. The drive-in or walk-up facility permitted by this clause is subject to clause (b) and section 47.53.

(d) With the prior approval of the commissioner, a bank may locate a detached facility in a township if:

(1) the township is in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county; and

(2) the detached facility is either:

(i) within the same township as the applicant bank's principal office;

(ii) within 5,000 feet of the applicant bank's principal office as measured in paragraph (a); or

(iii) within 100 miles of the applicant bank's principal office as measured in paragraph (a) and is no closer than two miles to any municipality having a population of 10,000 or less, as determined by the commissioner from the latest available data from the state demographer or the metropolitan council, unless the consent required by paragraph (a) has been obtained.

Sec. 12. Minnesota Statutes 1990, section 47.54, is amended to read:

47.54 [NOTICES AND APPROVAL PROCEDURES.]

Subdivision 1. [APPLICATION.] Any bank desiring to establish a detached facility shall execute and acknowledge a written application in the form prescribed by the commissioner and shall file the application in the commissioner's office with a fee of $500. ~~If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the commissioner in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, shall be paid by the applicant and 50 percent equally by the intervening parties.~~ The applicant shall within 30 days of the receipt of the form prescribed by the commissioner publish a notice of the filing of the application in a qualified newspaper published in the municipality in which the proposed detached facility is to be located, and if there is no such newspaper, then in a qualified newspaper likely to give notice in the municipality in which the proposed detached facility is to be located. In addition to the publication, the applicant must mail a copy of the notice by certified mail to every bank located within three miles of the proposed location of the detached facility, measured in the manner provided in section 47.52.

Subd. 2. [APPROVAL ORDER.] If no objection is received by the commissioner within 21 days after the publication and mailing of the notices, the commissioner shall issue an order approving the application without a hearing if it is found that (a) the applicant bank meets current industry standards of capital adequacy, management quality, and asset condition, (b) the establishment of the proposed detached facility will improve the quality or increase the availability of banking services in the community to be served, and (c) the establishment of the proposed detached facility will not have an undue adverse effect upon the solvency of existing financial institutions in the community to be served. Otherwise, the commissioner shall deny the application. Any proceedings for judicial review of an order of the commissioner issued under this subdivision without a contested case hearing shall be conducted pursuant to the provisions of the administrative procedure act relating to judicial review of agency decisions, sections 14.63 to 14.69, and the scope of judicial review in such proceedings shall be as provided therein. Nothing herein shall be construed as requiring the commissioner to conduct a contested case hearing if no written objection is timely received by the commissioner from a bank within three miles of the proposed location of the detached facility.

Subd. 3. [OBJECTIONS; HEARING.] If any bank within three miles of the proposed location of the detached facility objects in writing within 21 days, the commissioner shall ~~fix a time, within 60 days after filing of the objection, for a hearing, and the record of the hearing shall be considered by the commissioner in deciding whether or not the application shall be granted. A notice of the hearing shall be published in the form prescribed by the commissioner in a newspaper as described in subdivision 1, at the expense of the applicant, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicant and any witnesses who may appear in favor of or against the granting of the application. The hearing shall be conducted by the commissioner in accordance with the provisions of the administrative procedures act, sections 14.001 to 14.69, governing contested cases, including the provisions of the act relating to judicial review of agency decisions.~~ consider the objection. If the objection also requests a hearing, the objector must include the nature of the issues or facts to be presented and the reasons why written submissions would be insufficient to make an adequate presentation to the commissioner. Comments challenging the legality of an application should be submitted separately in writing.

Written requests for hearing must be evaluated by the commissioner who may grant or deny the request. A hearing must generally be granted only if it is determined that written submissions would be inadequate or that a hearing would otherwise be beneficial to the decision-making process. A hearing may be limited to issues considered material by the commissioner.

If a request for a hearing has been denied, the commissioner shall notify the applicant and all interested persons stating the reasons for denial. Interested parties may submit to the commissioner with simultaneous copies to the applicant additional written comments on the application within 14 days after the date of the notice of denial. The applicant shall be provided an additional seven days after the 14-day deadline has expired within which to respond to any comments submitted within the 14-day period. A copy of any response submitted by the applicant shall also be mailed simultaneously by the applicant to the interested parties. The commissioner may waive the additional seven-day comment period if so requested by the applicant.

Subd. 4. [HEARING.] In any case in which the commissioner grants a request for a hearing, the commissioner shall fix a time for a hearing conducted pursuant to chapter 14 to decide whether or not the application will be granted. A notice of the hearing must be published by the applicant in the form prescribed by the commissioner in a newspaper published in the municipality in which the proposed detached facility is to be located, and if there is no such newspaper, then at the county seat of the county in which the detached facility is proposed to be located. The notice must be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicants and witnesses that appear in favor of or against the granting of the application of the proposed detached facility. If an application is contested and a hearing is granted, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the commissioner of commerce to be deposited in the general fund, must be paid by the applicant and 50 percent equally by the intervening parties.

Subd. ~~4~~ 5. [DECISION AFTER HEARING.] If upon the hearing, it appears to the commissioner that the requirements for approval contained in subdivision 2 have been met, the commissioner shall, not later than 90 days after the hearing, issue an order approving the application. If the commissioner shall decide that the application should not be granted, the commissioner shall issue an order to that effect and forthwith give notice by certified mail to the applicant.

Subd. ~~5~~ 6. [EXPIRATION AND EXTENSION OF ORDER.] If a facility is not activated within 18 months from the date of the order, the approval order automatically expires. Upon request of the applicant prior to the automatic expiration date of the order, the commissioner may grant reasonable extensions of time to the applicant to activate the facility as the commissioner deems necessary. The extensions of time shall not exceed a total of an additional 12 months. If the commissioner's order is the subject of an appeal in accordance with chapter 14, the time period referred to in this

section for activation of the facility and any extensions shall begin when all appeals or rights of appeal from the commissioner's order have concluded or expired.

Sec. 13. Minnesota Statutes 1990, section 47.55, is amended to read:

47.55 [EXISTING ~~FACILITY~~ BANKING FACILITIES OR BRANCHES OF SAVINGS ASSOCIATION.]

Subdivision 1. [BANKING FACILITIES IN OPERATION PRIOR TO MAY 1, 1971.] A bank may retain and operate one detached facility as it may have had in operation prior to May 1, 1971 without requirement of approval hereunder, provided that its function is limited as provided in section 47.53 and its location conforms with the provisions of section 47.52. A bank having such a retained detached facility shall be limited to operating two additional detached facilities.

Subd. 2. [FACILITIES OF BANKS OR BRANCHES OF SAVINGS ASSOCIATIONS IN OPERATION PRIOR TO ACQUISITION.] The purchase of assets and assumption of liabilities of an existing detached facility of another bank or branch of a savings and loan association or savings bank must follow the notice and approval procedures in section 47.54 to establish and maintain a new detached facility of the acquiring bank at that location but need not obtain the consent of other banks as required by section 47.52.

Sec. 14. Minnesota Statutes 1990, section 48.02, is amended to read:

48.02 [CAPITAL AND SURPLUS; PREPAYMENT OF CAPITAL.]

The capital and surplus of every state bank hereafter organized shall be at least $250,000. In addition thereto undivided profits shall be provided for in such an amount as the commissioner shall determine to be adequate under the circumstances to avoid any possible impairment of capital and surplus. The total of these outlays shall be known as capital funds, and payment thereof shall be made in full, in cash or authorized securities, deposited in an approved custodial bank, and certified to the commissioner, under oath of the president and cashier or other chief financial officer, as well as the custodial bank, before the proposed state bank shall be authorized to commence business. The capital funds of a proposed bank shall not be less than a total amount which the commissioner considers necessary, having in mind the deposit potential for such a proposed bank and current banking industry standards of capital adequacy.

Sec. 15. Minnesota Statutes 1991 Supplement, section 48.512, subdivision 4, is amended to read:

Subd. 4. [IDENTIFICATION IS REQUIRED.] A financial intermediary shall not open or authorize signatory power over a transaction account if none of the applicants provides a driver's license, identification card, or identification document as required by subdivision 2. If the applicant provides a driver's license or identification card issued under section 171.07, the financial intermediary must confirm the identification number and name on that card through the records of the department of public safety. The financial intermediary need not confirm this information if the checking account applicant presents identification required under subdivision 2, paragraph (g), that meets the requirements of section 171.07, subdivision 9. The financial intermediary need not confirm this information if an employee of the financial intermediary has known the identity of the applicant for at least one year prior to the time of the application, and the employee provides a signed statement confirming that fact. When a minor is the applicant and the minor does not have a driver's license or identification card issued pursuant to section 171.07, the identification requirements of subdivision 2, clause (g), and this subdivision are satisfied if the minor's parent or guardian provides identification of that person's own that meets the identification requirement. The financial intermediary may waive the identification requirement if the applicant has had another type of account with the financial intermediary for at least one year immediately preceding the time of application.

Sec. 16. Minnesota Statutes 1990, section 48.89, subdivision 5, is amended to read:

Subd. 5. No bank may cause to be performed, by contract or otherwise, any clerical services for itself from a clerical service corporation or any other person, whether on or off its premises, unless assurances satisfactory to the commissioner are furnished to the commissioner by both the bank and the party performing such services that the performance thereof will be subject to regulation and examination by the commissioner to the same extent as if such services were being performed by the bank itself on its own premises.

Sec. 17. Minnesota Statutes 1990, section 49.34, subdivision 2, is amended to read:

Subd. 2. [ACQUISITION OF BANK OR SAVINGS ASSOCIATION FOR OPERATION AS DETACHED FACILITY.] (a) Notwithstanding the geographic limitations of subdivision 1, and the distance limitations and consent requirements of section 47.52, a state bank may apply to the commissioner, pursuant to the procedures contained in sections 47.51 to 47.56 and 49.35 to 49.41, to acquire another state bank or national banking association and its

detached facilities through merger, consolidation or purchase of assets and assumption of liabilities and operate them as detached facilities of the successor bank if the operation of them otherwise conforms to the limitations of section 47.52.

(b) In addition to the authority granted in paragraphs (a) and (c), and notwithstanding the geographic limitations of subdivision 1 and the limitations on number of facilities and consent requirements contained in section 47.52, a state bank whose main banking office is located within the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington may apply to the commissioner, pursuant to the procedures contained in sections 47.51 to 47.56 and 49.35 to 49.41, to acquire another state bank or national banking association and its detached facilities through merger, consolidation, or purchase of assets and assumption of liabilities and operate them as detached facilities of the successor bank if each resulting detached facility is located within the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington.

(c) Where the commissioner has determined that a merger, consolidation or purchase of assets and assumption of liabilities is necessary and in the public interest to prevent the probable failure of a state bank ~~or~~, national banking association, or state or federal savings and loan association or savings bank, the limitations on location and number of detached facilities in section 47.52 shall not apply to the establishment of a detached facility directly resulting from such acquisition. The establishment of a detached facility in order to prevent ~~the~~ a probable failure ~~of a bank~~ as provided in this ~~subdivision~~ paragraph shall not require the written consent of banks having a principal office in the municipality in which the resulting detached facility will be located, notwithstanding the provisions of section 47.52.

The consolidation or merger under this paragraph of a capital stock savings and loan association or savings bank and a bank shall be effected in the manner provided in sections 49.35 to 49.41. A savings and loan association or savings bank that is a mutual association may be acquired directly under this paragraph through the purchase of assets and assumption of liabilities. A state bank acquiring a savings and loan association or savings bank under this paragraph must, with the approval of the commissioner of commerce, establish a reasonable date by which the bank will cease all activities conducted by the savings and loan association or savings bank that are not authorized activities for the bank.

Sec. 18. Minnesota Statutes 1990, section 52.06, subdivision 1, is amended to read:

Subdivision 1. [REPORT AND AUDIT SCHEDULE.] Credit unions shall be under the supervision of the commissioner of commerce. Each credit union shall annually, on or before January

25, file a report with the commissioner of commerce on forms supplied by the commissioner for that purpose giving such relevant information as the commissioner may require concerning the operations during the preceding calendar year. Additional reports may be required. Credit unions shall be examined, at least once every 18 calendar months, by the commissioner of commerce~~, except that if a credit union requests, the commissioner may accept the audit of a certified public accountant in place of this examination. Such certified public accountant must be approved by the commissioner. The qualitative type of audit examination to be performed by the certified public accountant shall be defined by rule and approved by the commissioner~~. Further, in lieu of this examination the commissioner may accept any examination made by the National Credit Union Administration, provided a copy of the examination is furnished to the commissioner. A report of the examination by the commissioner of commerce shall be forwarded to the president, or the chair of the board if the position is so designated pursuant to section 52.09, subdivision 4, of the examined credit union within 60 days after completion of the examination. Within 60 days of the receipt of such report, a general meeting of the directors and committees shall be called to consider matters contained in the report. For failure to file reports when due, unless excused for cause, the credit union shall pay to the state treasurer $5 for each day of its delinquency.

Sec. 19. Minnesota Statutes 1990, section 52.24, subdivision 1, is amended to read:

Subdivision 1. [INSURANCE ACCOUNTS.] Every credit union under the supervision of the commissioner of commerce shall at all times maintain in effect insurance of member share and deposit accounts under the provisions of title II of the National Credit Union Act~~, or insurance from a legally constituted credit union share insurance corporation~~. A credit union which fails to meet this requirement for insurance of its share and deposit accounts shall either dissolve or merge with another credit union which is insured under title II of the National Credit Union Act~~, or by a legally constituted credit union share insurance corporation~~.

Sec. 20. Minnesota Statutes 1990, section 53.03, subdivision 5, is amended to read:

Subd. 5. [PLACE OF BUSINESS.] Not more than one place of business may be maintained under any certificate of authorization issued subsequent to the enactment of Laws 1943, chapter 67, pursuant to the provisions of this chapter, but the department of commerce may issue more than one certificate of authorization to the same corporation upon compliance with all the provisions of this chapter governing an original issuance of a certificate of authorization. To the extent that previously filed applicable information remains unchanged, the applicant need not refile this information,

unless requested. The filing fee for a branch application shall be $500 and the investigation fee $250. If a corporation has been issued more than one certificate of authorization, the corporation shall allocate a portion of capital stock to each office for which a certificate has been issued, in order to comply with the capital requirements of sections 53.02 and 53.05, clause (2), which sections are applicable to each office and the capital allocated thereto in the same manner as if each certificate had been issued to a separate corporation. An industrial loan and thrift corporation with deposit liabilities may change one or more of its locations upon the written approval of the commissioner of commerce. A fee of $100 must accompany each application to the commissioner for approval to change the location of an established office. An industrial loan and thrift corporation that does not sell and issue thrift certificates for investment may change one or more locations by giving 30 days' written notice to the department of commerce which shall promptly amend the certificate of authorization accordingly. No change in place of business of a company to a location outside of its current trade area or more than 25 miles from its present location, whichever distance is greater, shall be permitted under the same certificate unless all of the applicable requirements of this section have been met.

Sec. 21. Minnesota Statutes 1990, section 53.09, subdivision 2, is amended to read:

Subd. 2. [REPORT TO COMMISSIONER.] (1) Each industrial loan and thrift company shall annually on or before the first day of February file a report with the commissioner stating in detail, under appropriate heads, its assets and liabilities at the close of business on the last day of the preceding calendar year. This report shall be made under oath in the form prescribed by the commissioner ~~and published once, at the expense of the industrial loan and thrift company, in a newspaper of the county of its location, and proof thereof filed immediately with the commissioner of commerce~~.

(2) Each industrial loan and thrift company which holds authority to accept accounts pursuant to section 53.04, subdivision 5, shall in place of the requirement in clause (1) submit the reports and make the publication required of state banks pursuant to section 48.48.

(3) Within 30 days following a change in controlling ownership of the capital stock of an industrial loan and thrift company, it shall file a written report with the commissioner stating in detail the nature of such change in ownership.

Sec. 22. Minnesota Statutes 1990, section 56.04, is amended to read:

56.04 [INVESTIGATION; ISSUANCE OF LICENSE; DENIAL; REFUNDS.]

Upon the filing of the application and payment of these fees, the commissioner shall investigate the facts, and if the commissioner shall find (1) that the financial responsibility, experience, character, and general fitness of the applicant, and of the members thereof if the applicant be a copartnership or association, and of the person with direct responsibility for the operation and management of the proposed office are such as to command confidence and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this chapter, and primarily for purposes other than making loans to finance the purchase of products or services, other than insurance products authorized in this chapter or chapter 62B, offered by the applicant, a person which controls or is controlled by the applicant, or a person which is controlled by persons which also control the applicant; and (2) that the applicant has available for the operation of the business, at the specified location, liquid assets of at least $50,000 (the foregoing facts being conditions precedent to the issuance of a license under this chapter), the commissioner shall thereupon issue and deliver a license to the applicant to make loans, in accordance with the provisions of this chapter, at the location specified in the application. If the commissioner shall not so find, the commissioner shall not issue a license and shall notify the applicant of the denial and return to the applicant the sum paid by the applicant as a license fee, retaining the $250 investigation fee to cover the costs of investigating the application. The commissioner shall approve or deny every application for license hereunder within 60 days from the filing thereof with the fees.

If the application is denied, the commissioner shall, within 20 days thereafter, file in the commissioner's office a written decision and findings with respect thereto containing the evidence and the reasons supporting the denial, and forthwith serve upon the applicant a copy thereof.

There is hereby appropriated to such persons as are entitled to such refund, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Sec. 23. Minnesota Statutes 1990, section 56.07, is amended to read:

56.07 [CONTROL OVER LOCATION.]

Not more than one place of business shall be maintained under the same license, but the commissioner may issue more than one license to the same licensee upon compliance with all the provisions of this chapter governing an original issuance of a license, for each such new license. To the extent that previously filed applicable information remains substantially unchanged, the applicant need not refile this information, unless requested.

When a licensee shall wish to change a place of business, the licensee shall give written notice thereof 30 days in advance to the commissioner, who shall within 30 days of receipt of such notice, issue an amended license approving the change. No change in the place of business of a licensee to its current trade area or more than 25 miles from its present location, whichever distance is greater, shall be permitted under the same license unless all of the requirements of section 56.04 have been met.

A licensed place of business shall be open during regular business hours each weekday, except for legal holidays and for any weekday the commissioner grants approval to the licensee to remain closed. A licensed place of business may be open on Saturday, but shall be closed on Sunday.

Sec. 24. Minnesota Statutes 1990, section 56.12, is amended to read:

56.12 [ADVERTISING; TAKING OF SECURITY; PLACE OF BUSINESS.]

No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for the lending of money, credit, goods, or things in action which is false, misleading, or deceptive. The commissioner may order any licensee to desist from any conduct which the commissioner shall find to be a violation of the foregoing provisions.

The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as the commissioner may deem necessary to prevent misunderstanding thereof by prospective borrowers. In lieu of the disclosure requirements of this section and section 56.14, a licensee may give the disclosures required by the federal Truth-in-Lending Act.

A licensee may take a lien upon real estate as security for any loan exceeding $2,700 in principal amount made under this chapter. The provisions of sections 47.20 and 47.21 do not apply to loans made under this chapter, except as provided in this section. No loan secured by a first lien on a borrower's primary residence shall be made pursuant to this section if the proceeds of the loan are used to finance the purchase of the borrower's primary residence, unless:

(1) the proceeds of the loan are used to finance the purchase of a manufactured home; or

(2) the proceeds of the loan are used in whole or in part to satisfy the balance owed on a contract for deed.

If the proceeds of the loan are used to finance the purchase of the borrower's primary residence, the licensee shall consent to the subsequent transfer of the real estate if the existing borrower continues after transfer to be obligated for repayment of the entire remaining indebtedness. The licensee shall release the existing borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the property used as collateral, and (2) executes an agreement in writing with the licensee whereby the transferee assumes the obligations of the existing borrower under the loan instruments. Any such agreement shall not affect the priority, validity or enforceability of any loan instrument. A licensee may charge a fee not in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan is assumed by the transferee and the existing borrower continues after the transfer to be obligated for repayment of the entire assumed indebtedness. A licensee may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee and the existing borrower is released from all obligations under the loan instruments, but in no event shall the fee exceed $150.

A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

No licensee shall conduct the business of making loans under this chapter within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, if the commissioner finds that the character of the other business is such that it would facilitate evasions of this chapter or of the rules lawfully made hereunder. The commissioner may promulgate rules dealing with such other businesses.

No licensee shall transact the business or make any loan provided for by this chapter under any other name or at any other place of business than that named in the license. No licensee shall take any confession of judgment or any power of attorney. No licensee shall take any note or promise to pay that does not accurately disclose the principal amount of the loan, the time for which it is made, and the agreed rate or amount of charge, nor any instrument in which blanks are left to be filled in after execution. Nothing herein is deemed to prohibit the making of loans by mail or arranging for settlement and closing of real estate secured loans by an unrelated qualified closing agent at a location other than the licensed location.

Sec. 25. Minnesota Statutes 1990, section 56.131, subdivision 4, is amended to read:

Subd. 4. [ADJUSTMENT OF DOLLAR AMOUNTS.] (a) The dollar amounts in this section, sections 53.04, subdivision 3a, paragraph (c), 56.01 ~~and~~, 56.12, and 56.125 shall change periodically, as provided in this section, according to and to the extent of changes in the implicit price deflator for the gross national product, 1972 = 100, compiled by the United States Department of Commerce, and hereafter referred to as the index. The index for December, 1980 is the reference base index for adjustments of dollar amounts, except that the index for December, 1984 is the reference base index for the minimum default charge of $4. The reference base index for subdivisions 1, paragraph (a), clause (1); and 2, paragraph (d), is December 1990.

(b) The designated dollar amounts shall change on July 1 of each even-numbered year if the percentage of change, calculated to the nearest whole percentage point, between the index for December of the preceding year and the reference base index is ten percent or more, but;

(1) the portion of the percentage change in the index in excess of a multiple of ten percent shall be disregarded and the dollar amounts shall change only in multiples of ten percent of the amounts appearing in Laws 1981, chapter 258 on the date of enactment; and

(2) the dollar amounts shall not change if the amounts required by this section are those currently in effect pursuant to Laws 1981, chapter 258 as a result of earlier application of this section.

(c) If the index is revised, the percentage of change pursuant to this section shall be calculated on the basis of the revised index. If a revision of the index changes the reference base index, a revised reference base index shall be determined by multiplying the reference base index then applicable by the rebasing factor furnished by the department of commerce. If the index is superseded, the index referred to in this section is the one represented by the department of commerce as reflecting most accurately changes in the purchasing power of the dollar for consumers.

(d) The commissioner shall announce and publish:

(1) on or before April 30 of each year in which dollar amounts are to change, the changes in dollar amounts required by paragraph (b); and

(2) promptly after the changes occur, changes in the index required by paragraph (c) including, if applicable, the numerical equivalent of the reference base index under a revised reference base index and the designation or title of any index superseding the index.

(e) A person does not violate this chapter with respect to a transaction otherwise complying with this chapter if that person relies on dollar amounts either determined according to paragraph (b), clause (2) or appearing in the last publication of the commissioner announcing the then current dollar amounts.

(f) The adjustments provided in this section shall not be affected unless explicitly provided otherwise by law.

Sec. 26. Minnesota Statutes 1990, section 171.07, is amended by adding a subdivision to read:

Subd. 9. [SECURITY.] Beginning July 1, 1993, all drivers' licenses of any class, issued by the department, must be as impervious to alteration as is reasonably practicable in their design and quality of material and technology. The department shall give preference to a driver's license design that utilizes, to the extent possible, materials that are not generally available to the public and that provide more than one level of verification.

Sec. 27. Minnesota Statutes 1990, section 300.23, is amended to read:

300.23 [VOTING, HOW REGULATED.]

Unless otherwise provided in the certificate or bylaws, at every meeting each stockholder or member is entitled to one vote in person, or by proxy made within one year or other time specially limited by law, for each share or other lawful unit of representation held in an individual, corporate, or representative capacity. No stock may be voted on at an election within 20 days after its transfer on the books of the corporation. In the case of a banking corporation, the commissioner of commerce may waive the 20-day limitation.

Sec. 28. Minnesota Statutes 1990, section 300.52, subdivision 1, is amended to read:

Subdivision 1. [PRIOR NOTICE.] The first meeting of a corporation, except as otherwise prescribed in its certificate of incorporation or in the case of a banking corporation as waived in writing by the commissioner of commerce, must be called upon not less than three weeks' prior personal or published notice. The notice must be signed by one of the incorporators, to the others, and to each subscriber, if any, to its capital stock, specifying the time, place, and purpose of the meeting. Unless otherwise provided in the certificate of incorporation or corporate bylaws, an annual meeting must be called and held at its principal place of business upon three weeks' published notice, signed by its secretary. No business transacted at an annual meeting not called and held as required by this subdivision is

effective. The manner of calling and holding all meetings may be prescribed by its bylaws.

Sec. 29. Minnesota Statutes 1990, section 332.13, subdivision 2, is amended to read:

Subd. 2. "Debt prorating" means the performance of any one or more of the following:

(a) managing the financial affairs of an individual by distributing income or money to the creditors thereof;

(b) receiving funds for the purpose of distributing said funds among creditors in payment or partial payment of obligations of a debtor; or

(c) settling, adjusting, prorating, pooling, or liquidating the indebtedness of a debtor. Any person so engaged or holding out as so engaged shall be deemed to be engaged in debt prorating regardless of whether or not a fee is charged for such services. This term shall not include services performed by the following when engaged in the regular course of their respective businesses and professions:

(1) Attorneys at law, escrow agents, accountants, broker-dealers in securities;

(2) Banks, state or national, trust companies, savings and loan associations, building and loan associations, title insurance companies, insurance companies and all other lending institutions duly authorized to transact business in the state of Minnesota, provided no fee is charged for such service;

(3) Persons who, as employees on a regular salary or wage of an employer not engaged in the business of debt prorating, perform credit services for their employer;

(4) Public officers acting in their official capacities and persons acting pursuant to court order;

(5) Nonprofit corporations, organized under Minnesota Statutes 1967, Chapter 317, giving debt prorating service, provided no fee is charged for such service;

(6) Any person while performing services incidental to the dissolution, winding up or liquidation of a partnership, corporation or other business enterprise;

(7) The state of Minnesota, its political subdivisions, public agencies and their employees;

(8) Credit unions, provided no fee is charged for such service;

(9) "Qualified organizations" designated as representative payees for purposes of the Social Security and Supplemental Security Income representative payee system and the federal Omnibus Budget Reconciliation Act of 1990, Public Law Number 101-508.

Sec. 30. [REPEALER.]

Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5, are repealed.

Sec. 31. [EFFECTIVE DATE.]

Sections 4, 17, 25, and 29 are effective the day following final enactment. If the effective date of section 25 is after the commissioner of commerce has made the announcement and publication required to be made on or before April 30 of each year under section 56.131, subdivision 4, the commissioner shall, if necessary, revise the announcement and publication to conform with section 25."

Delete the title and insert:

"A bill for an act relating to financial institutions; regulating bank charters, the purchase and sale of property, relocations, loans, detached facilities, capital and surplus requirements, clerical services, and identification procedures; regulating the report and audit schedules and account insurance of credit unions; regulating business changes of industrial loan and thrifts; regulating business changes, license requirements, loan security, and interest rates of regulated lenders; providing special corporate voting and notice provisions for banking corporations; amending Minnesota Statutes 1990, sections 46.041, subdivision 4; 46.044; 46.047, subdivision 2; 46.048, subdivision 3; 46.07, subdivision 2; 47.10; 47.101, subdivision 3; 47.20, subdivisions 2, 4a, and 5; 47.52; 47.54; 47.55; 48.02; 48.89, subdivision 5; 49.34, subdivision 2; 52.06, subdivision 1; 52.24, subdivision 1; 53.03, subdivision 5; 53.09, subdivision 2; 56.04; 56.07; 56.12; 56.131, subdivision 4; 171.07, by adding a subdivision; 300.23; 300.52, subdivision 1; 332.13, subdivision 2; Minnesota Statutes 1991 Supplement, section 48.512, subdivision 4; repealing Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 1823, A bill for an act relating to statutes; providing for the numbering of session law chapters; amending Minnesota Statutes 1990, section 3C.04, subdivision 5.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1903, A bill for an act relating to capital improvements; authorizing bonds and appropriating money for the Minnesota Zoological Garden.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. CAPITAL IMPROVEMENTS APPROPRIATIONS

The sums in the column under "APPROPRIATIONS" in this act are appropriated from the bond proceeds fund, or other named fund, to the state agencies or officials named, to be available to acquire and to better public land and buildings and other improvements of a capital nature, as specified in the act.

SUMMARY

TECHNICAL COLLEGES	$13,482,000
COMMUNITY COLLEGES	18,831,000
STATE UNIVERSITIES	14,750,000
UNIVERSITY OF MINNESOTA	60,700,000
K-12 EDUCATION CAPITAL PROGRAMS	29,130,000
HUMAN SERVICES	13,507,000
CORRECTIONS	18,950,000
HOUSING FINANCE AGENCY	5,000,000
ADMINISTRATION	44,012,500
PUBLIC FACILITIES AUTHORITY	6,600,000
CAPITOL AREA ARCHITECTURE AND PLANNING BOARD	1,643,000
TRADE AND ECONOMIC DEVELOPMENT	6,500,000
SCIENCE MUSEUM OF MINNESOTA	200,000
NATURAL RESOURCES	10,141,000

AGRICULTURE	365,000
POLLUTION CONTROL AGENCY	13,050,000
MINNESOTA ZOOLOGICAL GARDEN	1,454,000
HISTORICAL SOCIETY	2,525,000
TRANSPORTATION	33,085,000
BOND SALE EXPENSES	282,000
TOTAL	294,207,500
BOND PROCEEDS FUND	247,359,000
GENERAL FUND	869,200
TRANSPORTATION FUND	21,135,000
MAXIMUM EFFORT SCHOOL LOAN FUND	12,130,000
AIRPORT FUND	2,000,000
TRUNK HIGHWAY FUND	10,714,300

APPROPRIATIONS

Sec. 2. TECHNICAL COLLEGES

Subdivision 1. To the state board of technical colleges for the purposes specified in this section. 13,482,000

Notwithstanding Minnesota Statutes, section 475.61, subdivision 4, the state board of technical colleges may approve a request by a local school board to use any unobligated balance in the technical college debt redemption fund to pay the district's share of construction projects authorized in this section.

In contracting for projects funded in this section, the state board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

The state board shall report to the house appropriations and senate finance committees by January 15 of each year on the status of the capital improvement projects in this section.

Notwithstanding Minnesota Statutes, section 136C.44, during the biennium the state board of technical colleges must not make grants to school districts but shall directly supervise and control the preparation of plans and specifications to construct, alter, or enlarge the technical college buildings,

structures, and improvements provided for in this section.

The school district must still finance 15 percent of the cost of each project, other than in a joint vocational technical district as defined in Minnesota Statutes, section 136C.60.

During the biennium, the state board of technical colleges shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

During the biennium, the state board may delegate the authority provided in this section to the campus director for repair and replacement projects with a total cost of less than $50,000, if the state board determines that the projects can be efficiently managed at the campus level.

Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this act.

The state board of technical colleges may delegate responsibilities to technical college staff.

Subd. 2. Health and Life Safety

(a) Systemwide Capital Improvements 5,842,000

This appropriation is for roof repair and replacement, code compliance, critically needed repair of buildings, PCB and asbestos abatement, and handicap access throughout the technical college system. This appropriation may not be used for fuel tank removal and replacement or for repair of parking facilities.

(b) Minneapolis Technical College 5,760,000

This appropriation is for the restoration of the exterior walls and roof. The total cost of this project must not exceed $6,776,000 whether paid from state, local, or federal money.

Subd. 3. Brainerd Technical College 1,200,000

This appropriation is for schematics through construction documents for the joint campus with Brainerd Community College. Brainerd Technical College must consult with the community college system throughout the project.

This appropriation may not be used to relocate or replace athletic fields or facilities. Costs associated with this relocation or replacement must be paid by independent school district No. 181, Brainerd.

The state board of technical colleges may sell the current Brainerd Technical College site to independent school district No. 181, Brainerd, for the appraised value of the property.

Subd. 4. Duluth Technical College

(a) Planning 680,000

This appropriation is for schematics through construction documents for remodeling and constructing classroom,

lab, library, and child care space. This project will accommodate general education offered by the community college system. The total cost of this project must not exceed $800,000 whether paid from state, local, or federal money. Duluth Technical College must consult with the community college system throughout the project.

(b) Authorization

Duluth Technical College may construct the aircraft rescue firefighter training center. The total cost of the project must be paid entirely from federal or local funds.

Subd. 5. Red Wing Technical College

Funds authorized in Laws 1988, chapter 703, article 2, section 2, subdivision 2, paragraph (d), may be used for remodeling to consolidate the campuses. The total cost of this project must not exceed $385,000 whether paid from state, local, or federal money.

Sec. 3. COMMUNITY COLLEGES

Subdivision 1. To the commissioner of administration for the purposes specified in this section. 18,831,000

Notwithstanding Minnesota Statutes, section 16B.24, subdivision 2, the state board for community colleges shall supervise and control the making of necessary repairs to all state community college buildings and structures during the biennium.

In contracting for projects funded in this section, the state board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

The state board shall report to the house appropriations and senate finance committees by January 15 of

each year on the status of the capital improvement projects in this section.

Subd. 2. Health and Life Safety

(a) Systemwide Capital Improvements 4,000,000

This appropriation is for code compliance, critically needed repair of buildings, roof replacement and repair, asbestos abatement, mechanical/electrical system rehabilitation, and handicap access throughout the community college system. This appropriation may not be used for fuel tank removal and replacement or for repair of parking facilities.

(b) North Hennepin Community College 2,981,000

This appropriation is to construct and equip a new heating and cooling plant, upgrade energy control systems, install a dedicated fire suppression loop and hydrants, and make traffic modifications.

Subd. 3. Anoka-Ramsey Community College 4,700,000

This appropriation is for construction of a new facility for the Cambridge Center, including space for administration, student services, classrooms, labs, offices, a learning resource center, and a student center.

Subd. 4. Austin Community College 7,150,000

This appropriation is for the construction and remodeling of a learning resource center, offices, campus center, classrooms, lab space, and mechanical systems upgrade.

Austin Community College, in consultation with Austin Technical College, shall reexamine the proposed location of the learning resources center to determine a cost-effective strategy to lo-

cate the center on a site more readily accessible to both campuses. Prior to construction, the campuses shall report their recommendations to the chairs of the house appropriations and senate finance committees.

Sec. 4. STATE UNIVERSITY SYSTEM

Subdivision 1. To the state university board for the purposes specified in this section. 14,750,000

Notwithstanding Minnesota Statutes, sections 16B.30 and 16B.31, during the biennium, the state university board shall supervise and control the preparation of plans and specifications for the construction, alteration, or enlargement of the state university buildings, structures, and improvements provided for in this section. During the biennium, the board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this act.

In contracting for projects funded in this section, the state board must not

restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

The board shall report to the house appropriations and senate finance committees by January 15 of each year on the status of the capital improvement projects in this section.

Notwithstanding Minnesota Statutes, section 16B.24, subdivision 2, the state university board shall supervise and control the making of necessary repairs to all state university buildings and structures during the biennium.

Notwithstanding other law, during the biennium, the state university board may purchase property adjacent to or in the vicinity of the campuses as necessary for the development of the universities. Before taking action, the board shall consult with the chairs of the senate finance committee and the house appropriations committee about the proposed action. The board shall explain the need to acquire property, specify the property to be acquired, and indicate the source and amount of money needed for the acquisition.

During the biennium, the state university board may pay relocation costs, at its discretion, when acquiring property.

Subd. 2. Health and Life Safety

(a) Systemwide Capital Improvements 4,000,000

This appropriation is for code compliance, critically needed repair of buildings, asbestos abatement, and roof repair and replacement throughout the state university system. This appropriation may not be used for fuel tank removal and replacement or for repair of parking facilities.

(b) Mankato State, Utility Tunnel 1,750,000

This appropriation is for upgrade and extension of the campus utility system tunnel, replacement of steam system piping, electrical upgrade, and asbestos abatement.

(c) Mankato State, Nelson Hall 670,000

This appropriation is for emergency construction to repair fire damage.

(d) Moorhead State, Heating Plant 4,090,000

This appropriation is for rehabilitation of the university heating plant.

Subd. 3. Bemidji State 100,000

This appropriation is for schematic plans to remodel the library and construct an addition.

Subd. 4. Metropolitan State 140,000

This appropriation is for schematic plans to remodel buildings A and C at the Dayton's Bluff site to accommodate administrative and faculty offices, student services, and instructional space.

Subd. 5. St. Cloud State 290,000

This appropriation is for schematic plans to construct a new library.

Subd. 6. Winona State 870,000

This appropriation is for schematics through construction documents for a new library and for remodeling the existing library for office and classroom use.

Subd. 7. Library Services

It is the intention of the legislature that the regional services provided by university libraries be recognized. The state university board and the board of regents cooperatively shall study the patterns of library usage by users not affiliated with the systems. The boards

also shall analyze how they could equitably recover costs of library usage by these users and estimate potential revenues. The boards shall use this information to recommend an equitable formula for their systems' share of debt service on library facilities. The boards shall report their recommendations to the appropriations and finance committees by July 1, 1993.

Subd. 8. Systemwide Land Acquisition 2,840,000

This appropriation is to continue to acquire needed land adjacent to or in the vicinity of Metropolitan State, Moorhead State, and St. Cloud State campuses.

Sec. 5. UNIVERSITY OF MINNESOTA 60,700,000

Subdivision 1. To the regents of the University of Minnesota for the purposes specified in this section.

The regents shall report to the house appropriations and senate finance committees by January 15 of each year on the status of the capital improvement projects in this section.

Subd. 2. Health and Life Safety 8,000,000

This appropriation is for code compliance, critically needed repair of buildings, asbestos abatement, water pipe repair, and improved handicap access throughout the university system. This appropriation may not be used for fuel tank removal and replacement or for repair of parking facilities.

Subd. 3. Twin Cities Campus 51,800,000

This appropriation is for construction of a new Basic Sciences/Biomedical Engineering Center on the Minneapolis campus. To the extent allowable, the federal or other nonstate funds must be

spent before the expenditure of state bond proceeds.

Tuition revenue must not be used to meet the University's annual share of debt service for this project.

Subd. 4. Morris Campus 900,000

This appropriation is for planning for the Science Center Phase IV.

Sec. 6. K-12 EDUCATION 5,725,000

(a) $1,325,000 is to the commissioner of administration to construct and equip at Faribault an addition to the current library for the blind and physically handicapped, remodel the existing building, and improve the utility system serving the library.

(b) $400,000 is to the commissioner of administration for construction of an educational facility at Hoffman Center in St. Peter. The facility must be constructed to meet the educational needs of court-placed adolescent sex offenders for whom independent school district No. 508, St. Peter, has the responsibility of providing educational services. The commissioner of administration and the school district must establish a contract that provides for the operation and maintenance of the facility and that specifies that the state will retain ownership of the facility. The contract must also provide that the district will make the debt service payments on the bonds issued to construct the facility and that independent school district No. 508, St. Peter, will add these debt service payments to the amount charged back to resident districts according to Minnesota Statutes, section 120.17, subdivision 6, or 120.181. The payments by the school district to the state for debt service are to be deposited in the debt service fund. If, for any reason, the receipt of payments from resident districts is not sufficient to

make the required debt service payments, the commissioner of education shall reduce appropriations for special education aid and transfer the required amount to the debt service fund.

(c) $4,000,000 is to the commissioner of administration for construction of an educational facility in independent school district No. 15, St. Francis. The facility must be constructed to meet the educational needs of court-placed adolescents for whom independent school district No. 15, St. Francis, has the responsibility of providing educational services. The commissioner of administration and the school district must establish a contract that provides for the operation, maintenance, and ownership of the facility, and specifies that the district will make the debt service payments on the bonds issued to construct the facility. Independent school district No. 15 may add these debt service payments to the amount charged back to resident districts according to Minnesota Statutes, section 120.17, subdivision 6, or 120.181. The payments by the school district to the state for debt service are to be deposited in the debt service fund. If, for any reason, the receipt of payments from resident districts is not sufficient to make the required debt service payments, the commissioner of education shall reduce special education aid and transfer the required amount to the debt service fund.

Sec. 7. HUMAN SERVICES

Subdivision 1. To the commissioner of administration for the purposes specified in this section. 13,507,000

Subd. 2. For the construction and equipping of a 50 bed addition to the Saint Peter RTC security facility to accommodate psychopathic personality commitments. 8,500,000

Subd. 3. (a) For the rehabilitation and improvement of the regional laun-

dry facility at Brainerd regional treatment center.

(b) The debt service cost on bonds sold to finance the facility described in paragraph (a) must be paid from laundry service fees charged and collected by the commissioner of human services pursuant to Minnesota Statutes, section 246.57. Laundry service fees established by the commissioner shall include appropriate charges for this debt service which shall then be paid to the commissioner of finance. 210,000

Subd. 4. For the construction of six additional state-operated community services facilities for people with developmental disabilities. 1,902,000

Subd. 5. For the construction of a 34 bed nursing facility annex and ten bed infirmary at the Rice County District Hospital location. 2,145,000

Subd. 6. For the capital remodeling of the Boswell building at Cambridge Regional Human Services Center. 500,000

Subd. 7. For the installation of air conditioning in Oakview building at Cambridge Regional Human Services Center. 250,000

Sec. 8. CORRECTIONS

Subdivision 1. To the commissioner of administration for the purposes listed in this section. 18,950,000

Subd. 2. (a) For renovation and conversion of two residential living units on the grounds of the Faribault regional treatment center for use by the department of corrections to house up to 160 adult male inmates. 4,700,000

(b) Bonds are not authorized and may not be issued for the project described in paragraph (a) until the following projects have been approved and contracts have been awarded to carry them out:

(1) projects set forth in section 7, subdivisions 4 and 5;

(2) three remaining projects in Laws 1990, chapter 610, article 1, section 12, subdivision 3; and

(3) projects set forth in Laws 1990, chapter 610, article 1, section 12, subdivision 4.

Subd. 3. To construct and remodel space at the Minnesota Correctional Facility-Red Wing to provide a secure detention unit for the confinement of adjudicated juvenile delinquents who present a danger to the public safety. 3,000,000

Subd. 4. For planning, design, and construction of a new 100 bed residential unit and a ten bed mental health unit for female inmates at MCF-Shakopee. 11,250,000

Sec. 9. HOUSING FINANCE AGENCY 5,000,000

(a) $1,000,000 of this appropriation is to the commissioner of the Minnesota Housing Finance Agency to make grants to the Minneapolis Public Housing Authority to pay part of the cost of the comprehensive modernization and rehabilitation of publicly owned low-income and elderly housing managed by the authority.

(b) $4,000,000 of this appropriation is to the Minnesota housing finance agency's local government unit housing account established in Minnesota Statutes, section 462A.202, for loans with or without interest to a city to purchase or acquire land and buildings for purposes of the neighborhood land trust program under Minnesota Statutes, sections 462A.30 and 462A.31, upon terms and conditions the agency determines.

Sec. 10. ADMINISTRATION

Subdivision 1. To the commissioner of administration for purposes specified in this section. 35,833,500

Subd. 2. Capital Asset Preservation and Repair 10,000,000

For critically needed repair of buildings, health and life safety code compliance, and preservation of capital assets throughout the state in accordance with Minnesota Statutes, section 16A.632. The commissioner shall give all state agencies, other than higher education systems an opportunity to apply for funding of urgently needed projects. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 3. Centennial Parking Ramp Repair 1,200,000

To complete the structural repair of the upper three floors of the centennial ramp, to be redesignated Central Park. The debt service cost on bonds sold to finance this repair shall be paid from parking fee revenue. Parking fees established by the commissioner, pursuant to Minnesota Statutes, section 16B.58, shall include appropriate charges for this debt service which shall then be paid to the commissioner of finance as required by law.

Subd. 4. For renovation of the old Historical Building as phase II of the Judicial Center. 12,000,000

Subd. 5. For renovation of the Ford Building to current life safety and environmental standards, including electrical distribution, HVAC systems, fire management, elevators, and exterior improvements in keeping with its historic preservation. 4,300,000

Subd. 6. For partial renovation of the Transportation Building. The balances

of $6,392,000 from the following trunk highway fund appropriations: Laws 1981, chapter 361, section 2, clause (h); Laws 1983, chapter 344, section 2, clause (1); Laws 1984, chapter 597, section 3, subdivision 3, clauses (a) and (b); and Laws 1987, chapter 400, section 3, subdivision 1, clause (h), are transferred to be used for the first phase of this building renovation project. Renovation shall address current life safety and environmental deficiencies, electrical power distribution, and lighting.

Subd. 7. Agency Relocation 1,633,500

$869,200 is from the general fund for relocation costs of the Attorney General, Jobs & Training, and the Department of Trade and Economic Development. $764,300 is from the trunk highway fund for the partial relocation of the Department of Transportation.

Subd. 8. For separation and hook-up of storm and sanitary sewers in the capitol complex. 5,900,000

Subd. 9. For land acquisition in the capitol area. 800,000

Sec. 11. PUBLIC FACILITIES AUTHORITY 6,600,000

To the public facilities authority for the state match to federal grants to capitalize the state water pollution control revolving fund under Minnesota Statutes, section 446A.07.

Sec. 12. CAPITOL AREA ARCHITECTURE AND PLANNING BOARD 1,643,000

To the commissioner of administration, for Capitol building life safety and exterior restoration phase III x, to include the installation of a modern fire alarm and fire management system. This appropriation must be spent under the guidance of the CAAPB.

$75,000 is to the CAAPB for testing, monitoring, and planning for restoration of the Capitol.

Sec. 13. TRADE AND ECONOMIC DEVELOPMENT 6,500,000

This appropriation is for a grant to the metropolitan council for metropolitan area regional parks acquisition and development. $1,900,000 of this amount is for the city of Roseville to construct the John Rose Memorial Oval Speedskating/Bandy Multi-Use Facility in consultation with the amateur sports commission, contingent on the receipt of at least $1,000,000 in matching funds from other sources, not including in-kind contributions. $400,000 is to the national sports center for purchase of land for additional soccer fields. $1,000,000 is to the commissioner of trade and economic development for payment to the metropolitan council for acquisition and development of the Lake Minnetonka Regional Park.

Sec. 14. AMATEUR SPORTS COMMISSION

$2,500,000 allocated in Laws 1990, chapter 610, article 1, section 25, for a grant to the city of Bloomington for construction of the Holmenkollen ski jump is canceled as of July 1, 1992, if matching funds have not been obtained.

Sec. 15. SCIENCE MUSEUM OF MINNESOTA 200,000

This appropriation is for planning and working drawings for capital remodeling and additions to the Science Museum of Minnesota.

The planning and working drawings shall include the use of the site in the city of St. Paul on which the Public Health Building is currently located.

Sec. 16. NATURAL RESOURCES

Subdivision 1. To the commissioner of the department of natural resources for the purposes specified in this section.	10,141,000
Subd. 2. Emergency repair of dams	1,595,000
(a) Emergency repair of publicly owned dams	1,300,000
(b) Repair or removal of dams at Welch, Stockton, and Stewartville	295,000

Money for removal of the Welch and Stockton dams is only available after the state has acquired title to the dam structures. The commissioner shall negotiate with the owners to obtain title to the structures at no cost to the state, and shall remove them immediately after obtaining title. The state is not liable for events occurring at dam sites before the state gets title.

Subd. 3. Flood hazard mitigation	
This appropriation is for flood hazard mitigation grants for capital projects under Minnesota Statutes, section 103F.161.	516,000
$206,000 is for the Jack Creek project. $310,000 is for the Good Lake project.	
Subd. 4. Field offices consolidation	2,810,000
This appropriation is for capital acquisition, construction, and renovations of field offices at Aitkin, Warroad, and Two Harbors.	
Subd. 5. Parks	2,870,000
This appropriation is for development of state parks according to the management plans required in Minnesota Statutes, chapter 86A.	
Subd. 6. Trails	1,000,000

This appropriation is for betterment of state trails including capital improvement construction, rehabilitation, and surfacing of the abandoned railroad bed from Willmar to New London for a multipurpose trail including a horse trail. The remaining money is for rehabilitation of Sakatah Singing Hills Trail.

Subd. 7. Fish hatcheries 1,250,000

To the commissioner of natural resources for fish hatcheries improvements including rearing ponds, security, raceways, electrical, and heating and cooling systems at the Peterson trout hatchery, the Spring Valley trout hatchery, and the New London hatchery. The commissioner may also use this appropriation for capital improvements at seasonal hatcheries. The debt service cost on bonds sold to finance this appropriation must be paid from the game and fish fund.

Subd. 8. Scientific and Natural Area Acquisition 100,000

This appropriation is for the acquisition of lands as Scientific and Natural Areas (SNA). As a first priority, lands containing great lakes white pine communities in Anoka or Washington county must be pursued for acquisition in accordance with the SNA Long Range Plan.

Sec. 17. AGRICULTURE 365,000

(a) To the commissioner of administration for the construction of a new East Grand Forks potato inspection facility to consolidate and replace inadequate facilities in Crookston and East Grand Forks.

(b) The debt service cost on bonds sold to finance the facility described in paragraph (a) must be paid from potato inspection fees charged and collected by the commissioner of agriculture pursu-

ant to Minnesota Statutes, sections 21.115 and 27.07. Inspection fees established by the commissioner of agriculture shall include appropriate charges for this debt service that shall then be paid to the commissioner of finance.

Sec. 18. POLLUTION CONTROL AGENCY 13,050,000

To the commissioner of the pollution control agency for the state share of combined sewer overflow grants under Minnesota Statutes, section 116.62.

Notwithstanding any law to the contrary, the city of St. Paul shall use all revenues derived from its clawback funding of sewer financing only for sewer separation projects that directly result in the elimination of combined sewer overflow.

Sec. 19. MINNESOTA ZOOLOGICAL GARDEN 1,454,000

To the Minnesota zoological garden board for replacement of the roof on the Tropics building and roof replacements and associated repairs on the A, B, C, and Nursery buildings. One-third of the debt service cost on bonds sold to finance this appropriation must be paid from the dedicated receipts of the zoological garden.

Sec. 20. LAKE SUPERIOR CENTER AUTHORITY 2,000,000

This appropriation is to the commissioner of administration for a grant to the Lake Superior Center authority for the costs of design and engineering of exhibition space and exhibits, offices, meeting rooms, and other capital facilities for the Lake Superior Center Authority. $500,000 of the appropriation is available immediately. $1,500,000 is contingent upon the authority obtaining at least $1,500,000 in additional funding from nonstate sources to establish a construction escrow. Future ap-

propriations from the bond proceeds fund for acquisition, construction, and other costs is contingent upon the authority obtaining matching funds from nonstate sources.

Sec. 21. ENVIRONMENTAL LEARNING CENTERS 79,000

To the commissioner of administration for grants for life and safety projects at the Mounds View North ELC. The remaining money is for life and safety projects at the Long Lake ELC and for handicapped accessibility at the Kettle River ELC.

Sec. 22. CITY OF ST. CLOUD 75,000

To the commissioner of administration for a grant to the city of St. Cloud for acquisition and betterment of park land according to the Beaver Island Trail and Park Plan to preserve a scenic stretch of the Mississippi River.

Sec. 23. LAKE SUPERIOR ZOOLOGICAL GARDENS 300,000

To the commissioner of administration for a grant to the Lake Superior Zoological garden for construction cost of the Przewalski Horse/zebra and animal interaction projects.

Sec. 24. HISTORICAL SOCIETY 2,525,000

Subdivision 1. To the Minnesota historical society for the purposes specified in this section.

Subd. 2. State History Center 1,400,000

To match approximately $4,500,000 in nonstate funds for the development and construction of major permanent exhibits in the new State History Center.

Subd. 3. Fort Snelling 375,000

For emergency life safety repairs and critical code compliance at historic Fort

Snelling, including retaining walls and public areas.

Subd. 4. St. Anthony Falls 500,000

This appropriation is for grant-in-aid purposes of the St. Anthony Falls Heritage Board in accordance with Minnesota Statutes, section 138.763. Grants may be made for public improvements of a capital nature according to the St. Anthony Falls interpretive plan for preservation. The matching requirements for the grants may be established by the St. Anthony Falls Heritage Board.

Subd. 5. Battle Point Historic Site

The appropriation for this project in Laws 1990, chapter 610, article 1, section 17, is transferred to the Minnesota Historical Society.

Subd. 6. Chisago County Historical Society 150,000

This appropriation is to the Minnesota Historical Society for a grant to the Chisago County Historical Society for design development of the St. Croix Valley Heritage Center. This appropriation must be matched equally with funds provided by the Chisago County Historical Society.

Subd. 7. Prairieland Expo Center 100,000

To the Minnesota Historical Society for schematic drawings for the Southwest Regional Development Commission's proposed Prairieland Expo facility.

Sec. 25. TRANSPORTATION 33,085,000

Subdivision 1. To the commissioner of transportation for the purposes specified in this section.

Subd. 2. Trunk Highway Facility Projects 9,950,000

To the commissioner of transportation for the purposes specified in this subdivision. The appropriations in this subdivision are from the trunk highway fund.

(a) construct additions to welding shops at Rochester, Owatonna, Windom, Morris, Virginia, and Mankato	1,104,000
(b) replace or add to chemical storage sheds at 27 locations statewide	560,000
(c) construct a new equipment storage building at Montevideo	430,000
(d) construct an addition for a resident office for the truck station and construct an addition for storage of large pieces of snow and ice removal equipment, both at Winona	450,000
(e) construct an equipment storage addition and remodel building to upgrade crew room and sanitary facilities to meet code, in Motley	300,000
(f) construct building for road maintenance equipment and bridge maintenance crew, and construct a matching chemical/cold storage structure, both at Spring Lake Park	1,950,000
(g) Owatonna radio and bridge shops addition	270,000
(h) Roseau truck station replacement	520,000
(i) Le Sueur truck station replacement	500,000
(j) MN road research project building at Monticello/Albertville	198,000
(k) design fees to complete construction documents for projects at Bemidji, Spring Lake Park, St. Cloud, Maplewood, Eden Prairie, and Thief River Falls	338,000
(l) land acquisition for new replacement truck station sites at Tracy, Effie, Glencoe, and Hutchinson	125,000

(m) plan for a facilities study to determine what space and additions should be made to headquarters building in Rochester	12,000
(n) construct pole type storage buildings at 14 truck stations headquarters sites and storage yards statewide	300,000
(o) removal of asbestos from department of transportation facilities statewide	230,000
(p) construct a metropolitan area recycling center to include buildings to store and recycle MN DOT generated hazardous and nonhazardous waste	530,000
(q) interior remodeling to convert design office space into office space for construction at Oakdale and Golden Valley headquarters buildings	75,000
(r) construct Luverne truck station addition	225,000
(s) construct truck station addition and remodel existing building to provide new crew room and sanitary facilities, both at Worthington	250,000
(t) construct an addition to garage/shop areas at the Virginia headquarters building	275,000
(u) construct Cannon Fall Class I safety rest area, (part of total project cost this request only)	256,000
(v) construct Fergus Falls truck station addition	225,000
(w) construct Olivia truck station addition	140,000
(x) construct St. Charles truck station addition	160,000
(y) construct vault type toilet facilities at the following ten class II rest areas T.H. 52 Fountain T.H. 55 Glenwood T.H. 169 Winnebago T.H. 59 Lake Shetek	395,000

T.H. 61 Cut Face Creek
T.H. 63 Bear Creek
T.H. 12 Dassel
T.H. 169 Tower/Soudan
T.H. 210 Clitherall
T.H. 212 Camp Release

(z) construct Nopeming truck station addition 132,000

Subd. 3. Saint Paul Airport Hangar 2,000,000

This appropriation is from the state airport fund.

To construct a state hangar facility at the Saint Paul downtown airport to house state-owned aircraft, facility office space, and a passenger waiting area.

Subd. 4. Local Bridge Replacement and Rehabilitation 21,135,000

To the commissioner of transportation for the purposes specified in this subdivision. The appropriations in this subdivision are from the state transportation fund.

(a) Bloomington Ferry Bridge 10,120,000

This appropriation is to match federal discretionary bridge funds to complete the Bloomington ferry bridge.

(b) Other Bridges on Local Road Systems 11,015,000

The commissioner shall spend this sum as grants to political subdivisions for the construction and reconstruction of key bridges on the state transportation system. This appropriation is available until spent.

Grants shall be allocated as follows:

(1) to counties, 5,904,000

(2) to cities, 2,390,000

(3) to towns, 2,721,000

(c) Political subdivisions may use grants made under this section for purposes of construction and reconstruction of bridges, including:

(1) matching federal-aid grants for the construction or reconstruction of key bridges;

(2) paying the costs of abandoning an existing bridge that is deficient and in need of replacement, but where no replacement will be made;

(3) paying the costs of constructing a road or street that would facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more cost-efficient than the replacement of the existing bridge; and

(4) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a.

Sec. 26. BOND SALE EXPENSES

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8. 282,000

Sec. 27. [BOND PROCEEDS FUND.]

To provide the money appropriated in this act from the state bond proceeds fund the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to $247,359,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 28. [TRANSPORTATION FUND.]

To provide the money appropriated in this act from the state transportation fund, the commissioner of finance, on request of the

governor, shall sell and issue bonds of the state in an amount up to $21,135,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 29. Minnesota Statutes 1991 Supplement, section 124.479, is amended to read:

124.479 [BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS, 1991.]

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of $45,065,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

~~No bonds may be sold or issued under this section until all bonds authorized by Laws 1990, chapter 610, sections 2 to 7, are sold and issued and the authorized project contracts have been initiated or abandoned.~~

Sec. 30. [124.4791] [BOND ISSUE; MAXIMUM EFFORT LOANS, 1992.]

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of $12,130,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as

provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

Sec. 31. Minnesota Statutes 1990, section 124.495, is amended to read:

124.495 [STATE BOND AUTHORIZATION.]

Subdivision 1. [1989.] To provide money for the cooperative secondary facilities grant program, the commissioner of finance, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of $14,000,000 in the manner, upon the terms and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [1992.] To provide money for the cooperative secondary facilities grant program, the commissioner of finance, upon request of the commissioner of education, shall issue and sell bonds of the state up to the amount of $12,000,000 in the manner, upon the terms, and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7. The amount authorized in this subdivision is in addition to bonds already authorized for this purpose.

Sec. 32. [124C.581] [ISSUANCE AND SALE OF BONDS.]

To provide money for grants under the desegregation capital improvement grant act, the commissioner of finance, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of $5,000,000 in the manner, upon the terms, and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7. The amount authorized in this section is in addition to bonds already authorized for this purpose.

Sec. 33. [1992 MAXIMUM EFFORT LOANS.]

The commissioner of education shall make capital loans to independent school district No. 38, Red Lake, and independent school district No. 239, Rush City. Capital loans to these districts are approved.

Sec. 34. [PLANNING.]

During the biennium, in its planning for new program offerings at a particular institution, each public post-secondary education governing board shall consider the availability of physical space and the adequacy of facilities at that institution. If the board determines that new space or facilities are required, it shall examine the feasibility of developing the program at a different institution within its system or in cooperation with other systems.

Sec. 35. [DEBT SERVICE SHARE.]

For the biennium, each post-secondary governing board shall pay one-third of the debt service on state bonds sold to finance appropriations to that board for projects in this act, except for health and life safety projects under subdivision 2 of sections 2 to 5.

Sec. 36. [INSTRUCTIONS TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor is to codify Laws 1990, chapter 610, article 1, section 45, as Minnesota Statutes, section 124.478.

Sec. 37. [EFFECTIVE DATE.]

This act is effective the day after its final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1990, section 124.495; Minnesota Statutes 1991 Supplement, section 124.479; proposing coding for new law in Minnesota Statutes, chapters 124; and 124C."

With the recommendation that when so amended the bill pass.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1952, A bill for an act relating to workers' compensation; regulating benefits and insurance; establishing a permanent commission on workers' compensation; creating a health and safety fund; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 79.252, by adding a subdivision; 79A.02, by adding subdivisions; 79A.03, subdivisions 3, 4, 7, and 9; 79A.04,

subdivision 2; 79A.06, subdivision 5; 176.011, subdivisions 3, 9, 11a, and 18; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 1a, 2, 3, 3a, 4, 6, 9, and 11; 176.103, subdivision 3; 176.106, subdivision 6, and by adding a subdivision; 176.111, subdivision 18; 176.129, subdivision 10; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.138; 176.139, subdivision 2; 176.155, subdivision 1, and by adding a subdivision; 176.181, subdivisions 3 and 7; 176.182; 176.185, subdivisions 1 and 5a; 176.191, subdivisions 1, 2, 3, and 4; 176.194, subdivision 4; 176.221, subdivisions 3, 3a, and 7; 176.231, subdivision 10; 176.261; 176.645, subdivisions 1 and 2; 176.83, subdivisions 5, 6, and by adding a subdivision; 176.84, subdivision 2; 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 79A; 175; and 176; repealing Minnesota Statutes 1990, sections 175.007; 176.136, subdivision 5; and 176.191, subdivisions 5, 6, 7, and 8, and Minnesota Statutes, chapters 79, 175A, and 176.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

COMPENSATION BENEFITS

Section 1. Minnesota Statutes 1990, section 176.011, subdivision 3, is amended to read:

Subd. 3. [DAILY WAGE.] "Daily wage" means the daily wage of the employee in the employment engaged in at the time of injury but does not include tips and gratuities paid directly to an employee by a customer of the employer and not accounted for by the employee to the employer. If the amount of the daily wage received or to be received by the employee in the employment engaged in at the time of injury was irregular or difficult to determine, or if the employment was part time, the daily wage shall be computed by dividing the total amount the employee actually earned in such employment in the last 26 weeks, by the total number of days in which the employee actually performed any of the duties of such employment~~, provided further, that~~. For the purpose of this computation where the wage is irregular or difficult to determine or the employment part time, holiday pay and vacation pay actually received and the corresponding days for which it is paid shall be included in the total amount actually earned and the total days actually performing duties, respectively. In the case of the construction industry, mining industry, or other industry where the hours of work are affected by seasonal conditions, the weekly wage shall not be less than five times the daily wage. Where board or allowances other than tips and gratuities are made to an employee in addition to wages as a part of

the wage contract they are deemed a part of earnings and computed at their value to the employee. In the case of persons performing services for municipal corporations in the case of emergency, then the normal working day shall be considered and computed as eight hours, and in cases where such services are performed gratis or without fixed compensation the daily wage of the person injured shall, for the purpose of calculating compensation payable under this chapter, be taken to be the usual going wage paid for similar services in municipalities where such services are performed by paid employees. If, at the time of injury, the employee was regularly employed by two or more employers, the employee's earnings in all such employments shall be included in the computation of daily wage.

Sec. 2. Minnesota Statutes 1990, section 176.011, subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire including the following:

(1) an alien;

(2) a minor;

(3) a sheriff, deputy sheriff, constable, marshal, police officer, firefighter, county highway engineer, and peace officer while engaged in the enforcement of peace or in the pursuit or capture of a person charged with or suspected of crime;

(4) a person requested or commanded to aid an officer in arresting or retaking a person who has escaped from lawful custody, or in executing legal process, in which cases, for purposes of calculating compensation under this chapter, the daily wage of the person shall be the prevailing wage for similar services performed by paid employees;

(5) a county assessor;

(6) an elected or appointed official of the state, or of a county, city, town, school district, or governmental subdivision in the state. An officer of a political subdivision elected or appointed for a regular term of office, or to complete the unexpired portion of a regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(7) an executive officer of a corporation, except those executive officers excluded by section 176.041;

(8) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioners of human services and corrections similar to those of officers and

employees of the institutions, and whose services have been accepted or contracted for by the commissioner of human services or corrections as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(9) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision of it. The daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed by paid employees;

(10) a voluntary uncompensated worker participating in a program established by a county welfare board. In the event of injury or death of the worker, the wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid in the county at the time of the injury or death for similar services performed by paid employees working a normal day and week;

(11) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089. The daily wage of the worker for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(12) a voluntary uncompensated worker in the building and construction industry who renders services for joint labor-management nonprofit community service projects. The daily wage of the worker for the purpose of calculating compensation under this chapter shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(13) a member of the military forces, as defined in section 190.05, while in state active service, as defined in section 190.05, subdivision 5a. The daily wage of the member for the purpose of calculating compensation under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

~~(13)~~ (14) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138. The daily wage of the worker, for the purposes of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

~~(14)~~ (15) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota state academy for the deaf or the Minnesota state academy for the blind, and whose services have been accepted or contracted for by the state board of education, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

~~(15)~~ (16) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

~~(16)~~ (17) a worker who renders in-home attendant care services to a physically handicapped person, and who is paid directly by the commissioner of human services for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose;

~~(17)~~ (18) students enrolled in and regularly attending the medical school of the University of Minnesota in the graduate school program or the postgraduate program. The students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation under this chapter, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits under this chapter;

~~(18)~~ (19) a faculty member of the University of Minnesota employed for an academic year is also an employee for the period between that academic year and the succeeding academic year if:

(a) the member has a contract or reasonable assurance of a contract from the University of Minnesota for the succeeding academic year; and

(b) the personal injury for which compensation is sought arises out of and in the course of activities related to the faculty member's employment by the University of Minnesota;

~~(19)~~ (20) a worker who performs volunteer ambulance driver or attendant services is an employee of the political subdivision, nonprofit hospital, nonprofit corporation, or other entity for which

the worker performs the services. The daily wage of the worker for the purpose of calculating compensation under this chapter shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

~~(20)~~ (21) a voluntary uncompensated worker, accepted by the commissioner of administration, rendering services as a volunteer at the department of administration. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

~~(21)~~ (22) a voluntary uncompensated worker rendering service directly to the pollution control agency. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees; ~~and~~

~~(22)~~ (23) a voluntary uncompensated worker while volunteering services as a first responder or as a member of a law enforcement assistance organization while acting under the supervision and authority of a political subdivision. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees; and

(24) a voluntary uncompensated worker while volunteering services as a member of a rescue squad organized under the authority of a political subdivision. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees.

If it is difficult to determine the daily wage as provided in this subdivision, the trier of fact may determine the wage upon which the compensation is payable.

Sec. 3. Minnesota Statutes 1990, section 176.011, subdivision 11a, is amended to read:

Subd. 11a. [FAMILY FARM.] (a) "Family farm" means any farm operation which pays or is obligated to pay ~~less than $8,000 in~~ cash wages, exclusive of machine hire, to farm laborers for services rendered during the preceding calendar year in an amount:

(1) less than $8,000; or

(2) less than $20,000 when the farm operation has total liability

and medical payment coverage equal to $300,000 and $5,000, respectively, under a farm liability insurance policy, and the policy covers injuries to farm laborers.

(b) For purposes of this subdivision, farm laborer does not include any spouse, parent or child, regardless of age, of a farmer employed by the farmer, or any executive officer of a family farm corporation as defined in section 500.24, subdivision 2, or any spouse, parent or child, regardless of age, of such an officer employed by that family farm corporation, or other farmers in the same community or members of their families exchanging work with the employer. Notwithstanding any law to the contrary, a farm laborer shall not be considered as an independent contractor for the purposes of this chapter; provided that a commercial baler or commercial thresher shall be considered an independent contractor.

Sec. 4. Minnesota Statutes 1990, section 176.011, subdivision 18, is amended to read:

Subd. 18. [WEEKLY WAGE.] "Weekly wage" is arrived at by multiplying the daily wage by the number of days and fractional days normally worked in the business of the employer for the employment involved. If the employee normally works less than five days per week or works an irregular number of days per week, the number of days normally worked shall be computed by dividing the total number of days in which the employee actually performed any of the duties of employment in the last 26 weeks by the number of weeks in which the employee actually performed such duties~~, provided that~~. For the purpose of this computation where the employee works less than five days per week or irregularly, holiday pay and vacation pay actually received and the corresponding days for which it is paid shall be included in the total amount actually earned and the total days actually performing duties, respectively. The weekly wage for part time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. The maximum weekly compensation payable to an employee, or to the employee's dependents in the event of death, shall not exceed 66 2/3 percent of the product of the daily wage times the number of days normally worked, provided that the compensation payable for permanent partial disability under section 176.101, subdivision 3, and for permanent total disability under section 176.101, subdivision 4, or death under section 176.111, shall not be computed on less than the number of hours normally worked in the employment or indus-

try in which the injury was sustained, subject also to such maximums as are specifically otherwise provided.

Sec. 5. Minnesota Statutes 1990, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, the compensation is 66-2/3 percent of the weekly wage at the time of injury,

~~(1)~~ provided that, during the year commencing on October 1, ~~1979~~ 1992, and each year thereafter, ~~commencing on October 1,~~:

(1) the maximum weekly compensation payable is the statewide average weekly wage for the period ending December 31, of the preceding year., provided that, for injuries occurring on or after October 1, 1994, and each year thereafter, the maximum weekly compensation payable is 105 percent of the statewide average weekly wage for the period ending December 31 of the preceding year; and

(2) the minimum weekly compensation ~~benefits for temporary total disability shall be not less than 50~~ payable for injuries occurring on or after October 1, 1992, is 35 percent of the statewide average weekly wage for the period ending December 31 of the preceding year or the injured employee's actual weekly wage, whichever is less. ~~In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.~~

Subject to subdivisions 3a to 3u this compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be.

Sec. 6. Minnesota Statutes 1990, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] (a) In all cases of temporary partial disability the compensation shall be 66-2/3 percent of the difference between the weekly wage of the employee at the time of injury and the wage the employee is able to earn in the employee's partially disabled condition. This compensation shall be paid during the period of disability except as provided in this section, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to ~~a~~ the maximum ~~compensation equal to the statewide average weekly wage~~ rate for temporary total compensation.

(b) Except as provided under subdivision 3k, temporary partial compensation may be paid only while the employee is employed, earning less than the employee's weekly wage at the time of the injury, and the reduced wage the employee is able to earn in the

employee's partially disabled condition is due to the injury. Except as provided in section 176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid for more than 260 weeks or after 450 weeks after the date of injury, whichever occurs first.

(c) Temporary partial compensation may not exceed the maximum rate for temporary total compensation and must be reduced to the extent that the wage the employee is able to earn in the employee's partially disabled condition plus the temporary partial disability payment otherwise payable under this subdivision exceeds 500 percent of the statewide average weekly wage.

Sec. 7. Minnesota Statutes 1990, section 176.101, subdivision 3f, is amended to read:

Subd. 3f. [LIGHT-DUTY JOB PRIOR TO THE END OF TEMPORARY TOTAL COMPENSATION.] (a) If the employer offers a job prior to the end of the 90-day period referred to in subdivision 3e, paragraph (a) and the job is consistent with an approved plan of rehabilitation or if no rehabilitation plan has been approved and the job is within the employee's physical limitations; or the employer procures a job for the employee with another employer which meets the requirements of this subdivision; or the employee accepts a job with another employer which meets the requirements of this subdivision, the employee's temporary total compensation shall cease. In this case the employee shall receive impairment compensation for the permanent partial disability which is ascertainable at that time. This impairment compensation shall be paid at the same rate that temporary total compensation was last paid. Upon the end of temporary total compensation under subdivision 3e, paragraph (a), the provisions of subdivision 3e or 3p apply, whichever is appropriate, and economic recovery compensation or impairment compensation is payable accordingly except that the compensation shall be offset by impairment compensation received under this subdivision.

(b) If an employee accepts a job under paragraph (a), begins work at that job, and is subsequently unemployed at that job through no fault of the employee, that employee shall receive temporary total compensation, subject to the provisions of subdivision 3e or paragraph (a), as may be applicable. In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant if the employee remains unemployed for 45 calendar days. The commissioner may waive this rehabilitation consultation if the commissioner determines that rehabilitation is unnecessary. Further rehabilitation, if considered appropriate, is subject to section 176.102.

Sec. 8. Minnesota Statutes 1990, section 176.102, subdivision 11, is amended to read:

Subd. 11. [RETRAINING; COMPENSATION.] (a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition ~~the commissioner~~ for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner or compensation judge determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner or compensation judge may award additional compensation in an amount ~~the commissioner determines is appropriate,~~ not to exceed the employee's request. This additional compensation shall cease at any time the commissioner or compensation judge determines the special circumstances are no longer present.

(b) If the employee is not employed during a retraining plan that has been specifically approved under this section, temporary total compensation is payable for up to 90 days after the end of the retraining plan; except that, payment during the 90-day period is subject to cessation in accordance with section 176.101. If the employee is employed during the retraining plan but earning less than at the time of injury, temporary partial compensation is payable at the rate of 66-2/3 percent of the difference between the employee's weekly wage at the time of injury and the weekly wage the employee is able to earn in the employee's partially disabled condition, subject to the maximum rate for temporary total compensation. Temporary partial compensation is not subject to the 260-week or 450-week limitations provided by section 176.101, subdivision 2, during the retraining plan, but is subject to those limitations before and after the plan.

Sec. 9. Minnesota Statutes 1990, section 176.111, subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount ~~$2,500~~ $7,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, its reasonable value shall be determined and approved by the commissioner, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after reasonable notice to interested parties as is required by the commissioner. If the deceased leaves no dependents, no compensation is payable, except as provided by this chapter.

Sec. 10. Minnesota Statutes 1990, section 176.645, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2 and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance

with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on or after October 1, 1977 ~~or thereafter,~~ but prior to October 1, 1992, under this section shall exceed six percent a year.; in those instances where the adjustment under the formula of this section would exceed this maximum, the increase shall be deemed to be six percent. No adjustment increase made on October 1, 1992, or thereafter under this section shall exceed four percent a year; in those instances where the adjustment under the formula of this section would exceed this maximum, the increase shall be deemed to be four percent.

Sec. 11. Minnesota Statutes 1990, section 176.645, subdivision 2, is amended to read:

Subd. 2. [TIME OF FIRST ADJUSTMENT.] For injuries occurring on or after October 1, 1981, the initial adjustment made pursuant to subdivision 1 ~~shall be~~ is deferred until the first anniversary of the date of the injury. For injuries occurring on or after October 1, 1992, the initial adjustment under subdivision 1 is deferred until the second anniversary of the date of injury.

Sec. 12. [EFFECTIVE DATE.]

This article is effective October 1, 1992.

ARTICLE 2

MEDICAL AND REHABILITATION

Section 1. Minnesota Statutes 1990, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] (a) This section applies only to vocational rehabilitation of injured employees and their spouses as provided under subdivision 1a. Physical rehabilitation of injured employees is considered treatment subject to section 176.135.

(b) Rehabilitation is intended to restore the injured employee, ~~through physical and vocational rehabilitation,~~ so the employee may

return to a job related to the employee's former employment or to a job in another work area which produces an economic status as close as possible to that the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.

Sec. 2. Minnesota Statutes 1990, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation plans and services, including, but not limited to, ~~making~~ assuring that plans and services meet standards defined in statute and rule for timeliness and reporting and are effective in returning injured workers to suitable employment within reasonable time parameters. The commissioner shall also make determinations regarding the selection and delivery of rehabilitation services and establish and make determinations regarding the criteria used to approve qualified rehabilitation consultant interns, qualified rehabilitation consultants, qualified rehabilitation consultant firms, and rehabilitation vendors. The commissioner shall ensure that rehabilitation services are provided in conformity with professional standards for competence and ethics. The commissioner may also make determinations regarding fees for rehabilitation services and shall by rule establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors. The commissioner shall annually review the fees and give notice of any adjustment in the State Register. An annual adjustment is not subject to chapter 14. By March 1, 1993, the commissioner shall report to the legislature on the status of the commission's monitoring of rehabilitation services. The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 3. Minnesota Statutes 1990, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) ~~An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case~~

~~may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be provided immediately after receipt of this information.~~

~~For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time.~~ A rehabilitation consultation must be provided by the employer to an injured employee upon request of the employee, the employer, or the commissioner. When the commissioner has received notice or information that an employee has sustained an injury that may be compensable under this chapter, the commissioner must notify the injured employee of the right to request a rehabilitation consultation to assist in return to work. The notice may be included in other information the commissioner gives to the employee under section 176.235, and must be highlighted in a way to draw the employee's attention to it. If a rehabilitation consultation is requested, the employer shall provide a qualified rehabilitation consultant. If the injured employee objects to the employer's selection, the employee may select a qualified rehabilitation consultant of the employee's own choosing within six months following the filing of a copy of the employee's rehabilitation plan with the commissioner. If the consultation indicates that rehabilitation services are appropriate under subdivision 1, the employer shall provide the services. If the consultation indicates that rehabilitation services are not appropriate under subdivision 1, the employer shall notify the employee of this determination within 14 days after the consultation.

(b) In order to assist the commissioner in determining whether or not to request rehabilitation consultation for an injured employee, an employer shall notify the commissioner whenever the employee's temporary total disability will likely exceed 13 weeks. The notification must be made within 90 days from the date of the injury or when the likelihood of at least a 13-week disability can be determined, whichever is earlier, and must include a current physician's report.

(c) The qualified rehabilitation consultant ~~appointed by the employer or insurer~~ shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest.

The consultant shall also disclose to all parties any affiliation,

business referral or other arrangement between the consultant or the firm employing the consultant and any other party ~~to~~, attorney, or health care provider involved in the case ~~, including any attorneys, doctors, or chiropractors~~.

~~If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.~~

(d) After the initial provision or selection of a qualified rehabilitation consultant as provided under paragraph (a), the employee may ~~choose~~ request a different qualified rehabilitation consultant ~~as follows:~~

~~(1) once during the first 60 days following the first in-person contact between the employee and the original consultant;~~

~~(2) once after the 60-day period referred to in clause (1); and~~

~~(3) subsequent requests~~ which shall be ~~determined~~ granted or denied by the commissioner or compensation judge according to the best interests of the parties.

(e) The employee and employer shall ~~enter into a program if one is prescribed in~~ develop a rehabilitation plan within 30 days of the rehabilitation consultation if the qualified rehabilitation consultant determines that rehabilitation is appropriate. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner within 15 days after the plan has been developed.

~~(b)~~ (f) If the employer does not provide rehabilitation consultation ~~as required by this section~~ requested under paragraph (a), the commissioner or compensation judge shall notify the employer that if the employer fails to ~~appoint~~ provide a qualified rehabilitation consultant ~~or other persons as permitted by clause (a)~~ within 15 days to conduct a rehabilitation consultation, the commissioner or compensation judge shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner or compensation judge determines the consultation is not required.

~~(c)~~ (g) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

~~(d)~~ (h) The commissioner or compensation judge may waive

rehabilitation services under this section if the commissioner or compensation judge is satisfied that the employee will return to work in the near future or that rehabilitation services will not be useful in returning an employee to work.

Sec. 4. Minnesota Statutes 1990, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] (a) The commissioner or a compensation judge shall determine eligibility for rehabilitation services and shall review, approve, modify, or reject rehabilitation plans developed under subdivision 4. The commissioner or a compensation judge shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled.

(b) A rehabilitation consultant must file a progress report on the plan with the commissioner six months after the plan is filed. The progress report must include a current estimate of the total cost and the expected duration of the plan. The commissioner may require additional progress reports. Based on the progress reports and available information, the commissioner may take actions including, but not limited to, redirecting, amending, suspending, or terminating the plan.

Sec. 5. Minnesota Statutes 1990, section 176.102, subdivision 9, is amended to read:

Subd. 9. [PLAN, COSTS.] (a) An employer is liable for the following rehabilitation expenses under this section:

~~(a)~~ (1) cost of rehabilitation evaluation and preparation of a plan;

~~(b)~~ (2) cost of all rehabilitation services and supplies necessary for implementation of the plan;

~~(c)~~ (3) reasonable cost of tuition, books, travel, and custodial day care; and, in addition, reasonable costs of board and lodging when rehabilitation requires residence away from the employee's customary residence;

~~(d)~~ (4) reasonable costs of travel and custodial day care during the job interview process;

~~(e)~~ (5) reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present

community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury. An employee shall not be required to relocate and a refusal to relocate shall not result in a suspension or termination of compensation under this chapter; and

~~(f)~~ (6) any other expense agreed to be paid.

(b) Charges for services provided by a rehabilitation consultant or vendor must be submitted on a billing form prescribed by the commissioner. No payment for the services shall be made until the charges are submitted on the prescribed form.

(c) Except as provided in this paragraph, an employer is not liable for charges for services provided by a rehabilitation consultant or vendor unless the employer or its insurer receives a bill for those services within 45 days of the provision of the services. The commissioner or a compensation judge may order payment for charges not timely billed under this paragraph if the rehabilitation consultant or vendor can prove that the failure to submit the bill as required by this paragraph was due to circumstances beyond the control of the rehabilitation consultant or vendor. A rehabilitation consultant or vendor may not collect payment from any other person, including the employee, for bills that an employer is relieved from liability for paying under this paragraph.

Sec. 6. Minnesota Statutes 1990, section 176.103, subdivision 2, is amended to read:

Subd. 2. [SCOPE.] (a) The commissioner shall monitor the medical and surgical treatment provided to injured employees, the services of other health care providers and shall also monitor hospital utilization as it relates to the treatment of injured employees. This monitoring shall include determinations concerning the appropriateness of the service, whether the treatment is necessary and effective, the proper cost of services, the quality of the treatment, the right of providers to receive payment under this chapter for services rendered or the right to receive payment under this chapter for future services. Insurers and self-insurers must assist the commissioner in this monitoring by reporting to the commissioner cases of suspected excessive, inappropriate, or unnecessary treatment. The commissioner shall report ~~the results of the monitoring~~ specific cases of suspected inappropriate, unnecessary, and excessive treatment to the medical services review board. ~~The commissioner may, either as a result of the monitoring or as a result of an investigation following receipt of a complaint, if the commissioner believes that any provider of health care services has violated any provision of this chapter or rules adopted under this chapter, initiate a contested case proceeding under chapter 14. In these cases,~~ The medical

services review board shall ~~make the final decision following receipt of the report of an administrative law judge~~ review those cases and make a determination of whether there is inappropriate, unnecessary, or excessive treatment based on its rules. The determination of the board is not subject to the contested case provisions of the administrative procedure act in chapter 14. An affected provider shall be given notice and an opportunity to be heard before the board prior to the board reporting its findings and conclusions. The board shall report its finding and conclusions to the commissioner. The findings and conclusions of the board are binding on the commissioner. The commissioner shall order a sanction if the board has concluded there was inappropriate, unnecessary, or excessive treatment. The commissioner shall adopt rules related to the sanctions to be imposed for inappropriate, unnecessary, or excessive treatment. The sanctions imposed may include, without limitation, a warning, a restriction on providing treatment, requiring preauthorization by the board for a plan of treatment, and suspension from receiving compensation for the provision of treatment under chapter 176. The commissioner's authority under this section also includes the authority to make determinations regarding any other activity involving the questions of utilization of medical services, and any other determination the commissioner deems necessary for the proper administration of this section, but does not include the authority to make the initial determination of primary liability, except as provided by section 176.305.

Sec. 7. Minnesota Statutes 1990, section 176.103, is amended by adding a subdivision to read:

Subd. 2a. [APPEALS; EFFECT OF DECISION.] An order imposing sanctions on a health care provider under subdivision 2 may be appealed and has the effect provided by this subdivision.

A sanction becomes effective at the time the commissioner notifies the provider of the order of sanction. The notice shall advise the provider of the right to obtain review as provided in this subdivision. If mailed, the notice of order of sanction is deemed received three days after mailing to the last known address of the provider.

Within 30 days of receipt of a notice of order of sanction, a provider may request in writing a review by the commissioner of the order. Upon receiving a request, the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. Within 15 days of receiving the request the commissioner shall report in writing the results of the review. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in chapter 14.

Within 30 days following receipt of the commissioner's decision on review, a provider may petition the workers' compensation court of appeals for review. The petition shall be filed with the court, together with proof of service of a copy on the commissioner, and accompanied by the standard filing fee for appeals from decisions of compensation judges. No responsive pleading shall be required of the commissioner, and no fees shall be charged for the appearance of the commissioner in the matter.

The petition shall be captioned in the full name of the provider making the petition as petitioner and the commissioner as respondent. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order of sanction.

The filing of the petition shall not stay the sanction. The court may order a stay of the balance of the sanction if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. To the extent applicable, review shall be conducted according to the rules of the court for review of decisions of compensation judges.

The scope of the hearing shall be limited to the issues of whether the medical services review board's findings were supported by substantial evidence in view of the record before the board and whether the sanction imposed by the commissioner was authorized by law or rule.

The workers' compensation court of appeals may adopt rules necessary to implement this subdivision.

Sec. 8. Minnesota Statutes 1990, section 176.103, subdivision 3, is amended to read:

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee as an ex officio member, two persons representing chiropractic, one person representing hospital administrators, and six physicians representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one person representing employees, one person representing employers or insurers, and one person representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed. The board may appoint from its members whatever subcommittees it deems appropriate.

The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one chiropractor, one hospital administrator, three physicians, one employee representative, one employer

or insurer representative, and one representative of the general public.

The board shall review clinical results for adequacy and recommend to the commissioner scales for disabilities and apportionment.

The board shall review and recommend to the commissioner rates for individual clinical procedures and aggregate costs. The board shall assist the commissioner in accomplishing public education.

In evaluating the clinical consequences of the services provided to an employee by a clinical health care provider, the board shall consider the following factors in the priority listed:

(1) the clinical effectiveness of the treatment;

(2) the clinical cost of the treatment; and

(3) the length of time of treatment.

The board shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The medical services review board may upon petition from the commissioner and after hearing, issue a penalty of $200 per violation, disqualify, or suspend a provider from receiving payment for services rendered under this chapter if a provider has violated any part of this chapter or rule adopted under this chapter. The hearings are initiated by the commissioner under the contested case procedures of chapter 14. The board shall make the final decision following receipt of the recommendation of the administrative law judge. The board's decision is appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

(c) The board may adopt rules of procedure. The rules may be joint rules with the rehabilitation review panel.

(d) The board must adopt rules defining standards of treatment including inappropriate, unnecessary, or excessive treatment. The board may adopt by reference rules providing standards of treatment including those adopted by federal or state government agencies. The board shall adopt rules under this paragraph using the procedures of sections 14.22 to 14.28, except that no public hearing shall be required notwithstanding section 14.25.

Sec. 9. Minnesota Statutes 1990, section 176.106, is amended by adding a subdivision to read:

Subd. 10. [LOCATION OF CONFERENCE.] If personal attendance is required to fully determine issues, all conferences shall be held within 150 miles of the residence of the employee unless the issues do not relate to a dispute with the employee. In the discretion of the workers' compensation division, a telephone conference may be ordered.

Sec. 10. Minnesota Statutes 1990, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, PSYCHOLOGICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] (a) The employer shall furnish any medical, psychological, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. This treatment shall include treatments necessary to physical rehabilitation.

(b) The employer shall pay for the reasonable value of nursing services provided by a member of the employee's family in cases of permanent total disability.

(c) Exposure to rabies is an injury and an employer shall furnish preventative treatment to employees exposed to rabies.

(d) The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches, or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. For the purpose of this paragraph, "injury" includes damage wholly or in part to an artificial member. In case of the employer's inability or refusal seasonably to ~~do so~~ provide the items required to be provided under this paragraph, the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same, including costs of copies of any medical records or medical reports that are in existence, obtained from health care providers, and that directly relate to the items for which payment is sought under this chapter, limited to the charges allowed by subdivision 7, and attorney fees incurred by the employee. ~~No action to recover the cost of copies may be brought until the commissioner adopts a schedule of reasonable charges under subdivision 7.~~ Attorney's fees shall be determined on an hourly basis according to the criteria in section 176.081, subdivision 5. ~~The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability.~~

(e) Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and 176.305.

(f) Unless otherwise provided by this chapter, an employer may provide the treatment and supplies required to be provided by an employer by this chapter solely through a managed care plan certified under section 176.1351.

Sec. 11. Minnesota Statutes 1990, section 176.135, subdivision 5, is amended to read:

Subd. 5. [OCCUPATIONAL DISEASE MEDICAL ELIGIBILITY.] Notwithstanding section 176.66, an employee who has contracted an occupational disease is eligible to receive compensation under this section even if the employee is not disabled from earning full wages at the work at which the employee was last employed.

Payment of compensation under this section shall be made by the employer and insurer on the date of the employee's last exposure to the hazard of the occupational disease. Reimbursement for medical benefits paid under this subdivision or subdivision 1a is allowed from the employer and insurer liable under section 176.66, subdivision 10, only in the case of disablement.

Sec. 12. Minnesota Statutes 1990, section 176.135, subdivision 6, is amended to read:

Subd. 6. [COMMENCEMENT OF PAYMENT.] As soon as reasonably possible, and no later than 30 calendar days after receiving the bill, the employer or insurer shall pay the charge or any portion of the charge which is not denied, or deny all or a part of the charge ~~on the basis of excessiveness or noncompensability, or specify the additional data needed,~~ with written notification to the employee and the provider explaining the basis for denial. All or part of a charge must be denied if any of the following conditions exist:

(1) the injury or condition is not compensable under this chapter;

(2) the charge or service is excessive under this section or section 176.136;

(3) the charges are not submitted on the prescribed billing form; or

(4) additional medical records or reports are required under subdivision 7 to substantiate the nature of the charge and its relationship to the work injury.

If payment is denied under clause (3) or (4), the employer or insurer shall pay the charges in accordance with this subdivision

within 30 calendar days after receiving the additional medical data, a prescribed billing form, or documentation of enrollment or certification as a provider.

Sec. 13. Minnesota Statutes 1990, section 176.135, subdivision 7, is amended to read:

Subd. 7. [MEDICAL BILLS AND RECORDS.] Health care providers shall submit to the insurer an itemized statement of charges on a billing form prescribed by the commissioner. Health care providers ~~other than hospitals~~ shall also submit copies of medical records or reports that substantiate the nature of the charge and its relationship to the work injury, ~~provided, however, that hospitals must submit any copies of records or reports requested under subdivision 6~~. Health care providers may charge for copies of any records or reports that are in existence and directly relate to the items for which payment is sought under this chapter. ~~Charges for copies provided under this subdivision shall be reasonable.~~ The commissioner shall adopt a schedule of reasonable charges by ~~emergency rules~~ rule.

A health care provider shall not collect, attempt to collect, refer a bill for collection, or commence an action for collection against the employee, employer, or any other party until the information required by this section has been furnished.

Sec. 14. [176.1351] [MANAGED CARE.]

Subdivision 1. [APPLICATION.] Any person or entity, other than a workers' compensation insurer or an employer for its own employees, may make written application to the commissioner to have a plan certified that provides managed care to injured workers for injuries and diseases compensable under this chapter. Each application for certification shall be accompanied by a reasonable fee prescribed by the commissioner. A certificate is valid for the period the commissioner prescribes unless revoked or suspended. Application for certification shall be made in the form and manner and shall set forth information regarding the proposed plan for providing services as the commissioner may prescribe. A plan may be certified to provide services in a limited geographic area. The information shall include, but not be limited to:

(1) a list of the names of all health care providers who will provide services under the managed care plan, together with appropriate evidence of compliance with any licensing or certification requirements for those providers to practice in this state;

(2) a description of the places and manner of providing services under the plan; or

(3) satisfactory evidence of ability to comply with any financial requirements to ensure delivery of service in accordance with the plan which the commissioner may prescribe.

Subd. 2. [CERTIFICATION.] The commissioner shall certify a managed care plan if the commissioner finds that the plan:

(1) proposes to provide services that meet quality, continuity, and other treatment standards prescribed by the commissioner and all medical and health care services that may be required by this chapter in a manner that is timely, effective, and convenient for the worker;

(2) is reasonably geographically convenient to employees it serves;

(3) provides appropriate financial incentives to reduce service costs and utilization without sacrificing the quality of service;

(4) provides adequate methods of peer review, utilization review, and dispute resolution to prevent inappropriate, excessive, or not medically necessary treatment, excludes participation in the plan those individuals who violate these treatment standards;

(5) provides a procedure for the resolution of medical disputes;

(6) provides a program for early return to work and cooperative efforts by the workers, the employer, and the managed care plan to promote workplace health and safety consultative and other services;

(7) provides a timely and accurate method of reporting to the commissioner necessary information regarding medical and health care service cost and utilization to enable the commissioner to determine the effectiveness of the plan;

(8) authorizes workers to receive compensable treatment from a health care provider who is not a member of the managed care plan, if that provider maintains the employee's medical records and has a documented history of treatment with the employee and agrees to refer the employee to the managed care plan for any treatment that can only be furnished by another provider that the employee may require and if the health care provider agrees to comply with all the rules, terms, and conditions of the managed care plan;

(9) authorizes necessary emergency medical treatment for an injury provided by a health care provider not a part of the managed care plan;

(10) does not discriminate against or exclude from participation in the plan any category of health care provider and includes an

adequate number of each category of health care providers to give workers convenient geographic accessibility to all categories of providers and adequate flexibility to choose health care providers from among those who provide services under the plan;

(11) provides an employee the right to change health care providers under the plan at least once; and

(12) complies with any other requirement the commissioner determines is necessary to provide quality medical services and health care to injured workers.

Subd. 3. [DISPUTE RESOLUTION.] An employee must exhaust the dispute resolution procedure of the certified managed care plan prior to filing a petition or otherwise seeking relief from the commissioner or a compensation judge on an issue related to managed care. If an employee has exhausted the dispute resolution procedure of the managed care plan on the issue of a rating for a disability, the employee may seek a disability rating from a health care provider outside of the managed care organization. The employer is liable for the reasonable fees of the outside provider as limited by the medical fee schedule adopted under this chapter.

Subd. 4. [TREATMENT STANDARDS.] The commissioner shall consider treatment standards developed by the health care profession affected, if any, before prescribing treatment standards under subdivision 2.

Subd. 5. [ACCESS TO ALL HEALTH CARE DISCIPLINES.] The commissioner shall refuse to certify or shall revoke or suspend the certification of a managed care plan that unfairly restricts direct access within the managed care plan to any health care provider profession. Direct access within the managed care plan is unfairly restricted if direct access is denied and the treatment or service sought is within the scope of practice of the profession to which direct access is sought and is appropriate under the standards of treatment adopted by the commissioner.

Subd. 6. [REVOCATION, SUSPENSION, AND REFUSAL TO CERTIFY.] The commissioner shall refuse to certify or shall revoke or suspend the certification of a managed care plan if the commissioner finds that the plan for providing medical or health care services fails to meet the requirements of this section, or service under the plan is not being provided in accordance with the terms of a certified plan.

Subd. 7. [RULES.] (a) The commissioner shall adopt rules necessary to implement this section.

(b) The commissioner shall adopt rules under this section using

the procedures of sections 14.22 to 14.28, except that no public hearing shall be required notwithstanding section 14.25. This paragraph applies to rules adopted pursuant to a notice of intention to adopt a rule without a public hearing published before July 1, 1995.

Sec. 15. Minnesota Statutes 1990, section 176.136, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE.] (a) The commissioner shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups.

(b) The procedures established by the commissioner ~~shall~~ must limit, in accordance with subdivisions 1a, 1b, and 1c, the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, ~~based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing~~. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive ~~shall~~ must be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures ~~shall~~ must incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees.

Sec. 16. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

Subd. 1a. [RELATIVE VALUE FEE SCHEDULE.] The liability of an employer for services included in the medical fee schedule is limited to the maximum fee allowed by the schedule in effect on the date of the medical service, or the provider's actual fee, whichever is lower. The medical fee schedule effective on October 1, 1991, shall remain in effect until the commissioner adopts a new schedule by permanent rule. The commissioner shall adopt permanent rules regulating fees allowable for medical, chiropractic, podiatric, surgical, hospital, outpatient, and other health care provider treatment or service by implementing a relative value fee schedule to be effective on October 1, 1993. The commissioner may adopt by reference the relative value schedule adopted for the federal Medicare program or a relative value schedule adopted by other federal or state agencies. The relative value fee schedule shall contain reasonable classifications including, but not limited to, classifications that differentiate among health care provider disciplines. The commis-

sioner shall adopt rules under this subdivision using the procedures of sections 14.22 to 14.28, except that no public hearing shall be required notwithstanding section 14.25. The conversion factors for the relative value fee schedule must reasonably reflect a 15 percent overall reduction from the medical fee schedule most recently in effect. The reduction need not be applied equally to all treatment or services, but must represent a gross 15 percent reduction.

After permanent rules have been adopted to implement this section, the conversion factors must be adjusted annually on October 1 by the percentage change computed under section 176.645, but without the annual cap provided by that section. The commissioner shall annually give notice in the State Register of the adjusted conversion factors. This notice shall be in lieu of the requirements of chapter 14.

Sec. 17. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

Subd. 1b. [LIMITATION OF LIABILITY.] (a) The liability of the employer for treatment, articles, and supplies provided to an employee while an inpatient or outpatient at a small hospital shall be the hospital's usual and customary charge, unless the charge is determined by the commissioner or a compensation judge to be unreasonably excessive. A "small hospital," for purposes of this paragraph, is a hospital which has 75 or fewer licensed beds.

(b) The liability of the employer for the treatment, articles, and supplies that are not limited by subdivision 1a or 1c, or paragraph (a), shall be limited to 85 percent of the provider's usual and customary charge, or 85 percent of the prevailing charges for similar treatment, articles, and supplies furnished to an injured person when paid for by the injured person, whichever is lower. On this basis, the commissioner or compensation judge may determine the reasonable value of all treatment, services, and supplies, and the liability of the employer is limited to that amount.

Sec. 18. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

Subd. 1c. [CHARGES FOR INDEPENDENT MEDICAL EXAMINATIONS.] The commissioner shall adopt rules that reasonably limit amounts which may be charged for, or in connection with, independent or adverse medical examinations requested by any party, including the amount that may be charged for depositions, witness fees, or other expenses. The scheduled amount for the examination itself may not exceed the scheduled amount for complex consultations by treating physicians, although additional reasonable charges may be permitted to reflect additional duties or activities. No party may pay fees above the amount in the schedule.

Sec. 19. Minnesota Statutes 1990, section 176.136, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVE FEES.] If the employer or insurer determines that the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter unless the commissioner, compensation judge, or court of appeals determines otherwise. In such a case, the health care provider may initiate an action under this chapter for recovery of the amounts deemed excessive by the employer or insurer, but the employer or insurer shall have the burden of proving excessiveness.

A charge for a health service or medical service is excessive if it:

(1) exceeds the maximum permissible charge pursuant to subdivision 1, 1a, 1b, or 1c;

(2) is for a service provided at a level, duration, or frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards;

(3) is for a service that is outside the scope of practice of the particular provider or is not generally recognized within the particular profession of the provider as of therapeutic value for the specific injury or condition treated; or

(4) is otherwise deemed excessive or inappropriate pursuant to rules adopted pursuant to this chapter.

Sec. 20. Minnesota Statutes 1990, section 176.155, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYER'S PHYSICIAN.] The injured employee must submit to examination by the employer's physician, if requested by the employer, and at reasonable times thereafter upon the employer's request. The examination must be scheduled at a location within 150 miles of the employee's residence unless the employer can show cause to the department to order an examination at a location further from the employee's residence. The employee is entitled upon request to have a personal physician present at any such examination. Each party shall defray the cost of that party's physician. Any report or written statement made by the employer's physician as a result of an examination of the employee, regardless of whether the examination preceded the injury or was made subsequent to the injury, shall be made available, upon request and without charge, to the injured employee or representative of the employee. The employer shall pay reasonable travel expenses in-

curred by the employee in attending the examination including mileage, parking, and, if necessary, lodging and meals. The employer shall also pay the employee for any lost wages resulting from attendance at the examination. A self-insured employer or insurer who is served with a claim petition pursuant to section 176.271, subdivision 1, or 176.291, shall schedule any necessary examinations of the employee, if an examination by the employer's physician or health care provider is necessary to evaluate benefits claimed. The examination shall be completed and the report of the examination shall be served on the employee and filed with the commissioner within 120 days of service of the claim petition.

No evidence relating to the examination or report shall be received or considered by the commissioner, a compensation judge, or the court of appeals in determining any issues unless the report has been served and filed as required by this section, unless a written extension has been granted by the commissioner or compensation judge. The commissioner or a compensation judge shall extend the time for completing the adverse examination and filing the report upon good cause shown. The extension must not be for the purpose of delay and the insurer must make a good faith effort to comply with this subdivision. Good cause shall include but is not limited to:

(1) that the extension is necessary because of the limited number of physicians or health care providers available with expertise in the particular injury or disease, or that the extension is necessary due to the complexity of the medical issues, or

(2) that the extension is necessary to gather additional information which was not included on the petition as required by section 176.291.

Sec. 21. Minnesota Statutes 1990, section 176.83, subdivision 5, is amended to read:

Subd. 5. [EXCESSIVE MEDICAL SERVICES.] In consultation with the medical services review board or the rehabilitation review panel, rules establishing standards and procedures for determining whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards.

If it is determined by the payer that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost by an insurer, self-insurer, or group self-insurer, and the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedure, ser-

vice, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program unless the commissioner or compensation judge determines at a hearing or administrative conference that the level, frequency, or cost was not excessive in which case the insurer, self-insurer, or group self-insurer shall make the payment deemed reasonable.

A health or rehabilitation provider who is determined by the rehabilitation review panel or medical services review board, after hearing, to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under this chapter. A prohibition imposed on a provider under this subdivision may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing or certifying body.

~~The rules adopted under this subdivision shall require insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this clause.~~

Sec. 22. Minnesota Statutes 1990, section 176.83, is amended by adding a subdivision to read:

Subd. 5a. [REPORTING.] Rules requiring insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this chapter.

Sec. 23. [UTILIZATION OF HIGH TECHNOLOGY MEDICAL PROCEDURES.]

The commissioner of the department of labor and industry shall appoint a committee to study the utilization of high technology medical procedures for treatment of injuries under Minnesota Statutes, chapter 176. The committee must include physicians, hospital representatives, medical device manufacturers, purchasers, consumers, and ethicists. The study must specifically examine excessive use of technology. The commissioner shall report the results of the study together with any proposals for legislation to the legislature by January 30, 1993.

Sec. 24. [REPEALER.]

Minnesota Statutes 1990, sections 176.135, subdivision 3; and 176.136, subdivision 5, are repealed.

Sec. 25. [EFFECTIVE DATE.]

The rulemaking authority granted to the commissioner of the

department of labor and industry and the medical services review board by sections 6, 8, and 14 are effective the day following final enactment. The rest of this article is effective October 1, 1992.

ARTICLE 3

INSURANCE

Section 1. [79.081] [MANDATORY DEDUCTIBLES.]

Subdivision 1. [PREMIUM REDUCTION.] Each insurer, including the assigned risk plan, issuing a policy of insurance, must offer an employer the option to agree to pay an amount per claim selected by the employer and specified in the policy toward the total of any claim payable under chapter 176. The amount of premium to be paid by an employer who selects a policy with a deductible shall be reduced based upon a rating schedule or rating plan filed with and approved by the commissioner of commerce. Administration of claims shall remain with the insurer as provided in the terms and conditions of the policy.

Subd. 2. [PROCEDURE FOR PAYING DEDUCTIBLE.] If an insured employer chooses a deductible, the insured employer is liable for the amount of the deductible for benefits paid for each compensable claim of work injury suffered by an employee. Regardless of any deductible amount, the insurer shall pay the entire cost of the employee's claim and then seek reimbursement from the insured employer for the deductible amount. The payment or nonpayment of deductible amounts by the insured employer to the insurer shall be treated under the policy insuring the liability for workers' compensation in the same manner as payment or nonpayment of premiums.

Subd. 3. [CREDIT RISK; EXCEPTION.] An insurer is not required to offer a deductible to an employer if, as a result of a credit investigation, the insurer determines that the employer is not sufficiently financially stable to be responsible for the payment of deductible amounts.

Subd. 4. [REPORTING REQUIREMENT.] The existence of an insurance contract with a deductible or the fact of payment as a result of a deductible does not affect the requirement of an employer to report an injury or death to an insurer or the commissioner of the department of labor and industry.

Sec. 2. Minnesota Statutes 1990, section 79.251, is amended to read:

79.251 [ADMINISTRATION OF ASSIGNED RISK PLAN.]

Subdivision 1. [ASSIGNED RISK PLAN ~~REVIEW~~ BOARD.] (1) An assigned risk plan ~~review~~ board is created for the purposes of ~~review of the operation of section 79.252 and this section~~ operating the assigned risk plan. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and ~~may~~ shall contract with individuals in discharge of those duties.

(2) The board shall consist of ~~six~~ seven members to be appointed by the commissioner of commerce. ~~Three~~ Two members shall be insureds holding policies or contracts of coverage issued pursuant to subdivision 4. Two members shall be insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b). ~~The commissioner shall be the sixth member and shall vote~~, and three shall be public members. One of the public members shall be a licensed physician, one shall be a certified public accountant, and the third shall be a property and casualty actuary. No public member shall be employed by, or affiliated with, an insurer.

~~Initial appointments shall be made by September 1, 1981, and~~ The terms for the board members shall be for three years duration. Removal, the filling of vacancies and compensation of the members ~~other than the commissioner~~ shall be as provided in section 15.059, except that rate of compensation shall be $110 a day spent on board activities, when authorized by the board. If the compensation rate in section 15.059 increases, the dollar figure in this section shall be increased by the same percentage.

(3) The assigned risk plan ~~review~~ board shall audit the reserves established (a) for individual cases arising under policies and contracts of coverage issued under subdivision 4 and (b) for the total book of business issued under subdivision 4.

(4) The assigned risk plan ~~review~~ board shall monitor the operations of section 79.252 and this section and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections.

(5) All insurers and self-insurance administrators issuing policies or contracts under subdivision 4 shall pay to the ~~commissioner~~ board a .25 percent assessment on premiums for policies and contracts of coverage issued under subdivision 4 for the purpose of defraying the costs of the assigned risk plan ~~review~~ board. Proceeds of the assessment shall be deposited in the state treasury and credited to the general fund.

(6) The assigned risk plan and the assigned risk plan ~~review~~ board shall not be deemed a state agency.

(7) The commissioner or a designated representative may attend

board meetings and shall receive notice of the meetings at the same time and in the same manner as notice is given to board members.

Subd. 2. [APPROPRIATE MERIT RATING PLAN.] The ~~commissioner~~ board shall develop an appropriate merit rating plan which shall be applicable to all insureds holding policies or contracts of coverage issued pursuant to subdivision 4 and to the insurers or self-insurance administrators issuing those policies or contracts. The plan shall provide a maximum merit adjustment equal to ten percent of earned premium. The actual adjustment may vary with insured's loss experience.

Subd. 3. [RATES.] Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan, including a merit rating plan adopted by the ~~commissioner by rule~~ board and filed with the department of commerce as required by section 79.56. The commissioner may disapprove the rating plan if the premiums that result from use of the plan are unfairly discriminatory or if the expected underwriting profit, together with expected income from invested reserves for the market in question, that would accrue to the assigned risk plan would be unreasonably high in relation to the risk undertaken by the assigned risk plan in transacting the business. The ~~commissioner~~ board shall annually, not later than January 1 of each year, establish the schedule of rates applicable to assigned risk plan business. Assigned risk premiums shall not be lower than rates generally charged by insurers for the business. ~~The commissioner shall fix the compensation received by the agent of record.~~ The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.

Subd. 4. [ADMINISTRATION.] The ~~commissioner~~ board shall enter into service contracts as necessary or beneficial for accomplishing the purposes of the assigned risk plan. Services related to the administration of policies or contracts of coverage shall be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b), or self-insurance administrators licensed pursuant to section 176.181, subdivision 2, clause (2), paragraph (a). A qualified insurer or self-insurance administrator shall possess sufficient financial, professional, administrative, and personnel resources to provide the services contemplated in the contract. Services related to assignments, data management, assessment collection, and other services ~~shall~~ may be performed by a licensed data service organization. The cost of those services is an obligation of the assigned risk plan.

Subd. 4a. [MEDICAL COST CONTAINMENT.] The assigned risk plan must utilize managed care plans certified under chapter 176 to the extent possible. In addition, the assigned risk plan must implement a medical cost containment program. The program must, at a minimum, include:

(1) billings review to determine if claims are compensable under chapter 176;

(2) utilization of cost management specialists familiar with billing practice guidelines;

(3) review of treatment to determine if it is reasonable and necessary and has a reasonable chance to cure and relieve the employee's injury;

(4) a system to reduce billed charges to the maximum permitted by law or rule;

(5) review of medical care utilization; and

(6) reporting of health care providers suspected of providing unnecessary or excessive services to the commissioner of the department of labor and industry.

Subd. 4b. [GROUPS.] The assigned risk plan must create a program that attempts to group employers in the same or similar risk classification for purposes of group premium underwriting and claims management. The assigned risk plan must engage in extensive safety consultation with group members to reduce the extent and severity of injuries of group members. The consultation should include on-site inspections and specific recommendations as to safety improvements.

Subd. 5. [ASSESSMENTS.] Subject to the approval of the commissioner, the board shall assess all insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b) an amount sufficient to fully fund the obligations of the assigned risk plan, if the ~~commissioner~~ board determines that the assets of the assigned risk plan are insufficient to meet its obligations. The assessment of each insurer shall be in a proportion equal to the proportion which the amount of compensation insurance written in this state during the preceding calendar year by that insurer bears to the total compensation insurance written in this state during the preceding calendar year by all licensed insurers.

Subd. 6. [AGENTS.] A person licensed under section 60A.17 may submit an application for coverage to the assigned risk plan and receive a fee from the assigned risk plan for submitting the application. However, the licensee is not an agent of the assigned risk plan for purposes of state law. All checks or similar instruments submitted in payment of assigned risk plan premiums must be made payable to the assigned risk plan and not the agent.

Subd. 7. [INVESTMENT OF ASSETS.] The ~~commissioner~~ board shall certify and transfer to the state board of investment all

assigned risk plan assets which in the ~~commissioner's~~ board's judgment are not required for immediate use. The state board of investment shall invest the certified assets, and may invest the assets consistent with the provisions of section 11A.14. All investment income and losses attributable to the investment of assigned risk plan assets must be credited to the assigned risk plan. When the ~~commissioner~~ board certifies to the state board that invested assets are required for immediate use, the state board shall sell assets to provide the amount of assets the ~~commissioner~~ board certifies. The state board shall transfer the sale proceeds to the ~~commissioner~~ plan.

Subd. 8. [APPEAL AND REVIEW.] An applicant or insured may appeal an action of the board to the commissioner within 30 days of the occurrence of the action.

A final action or order of the commissioner is subject to judicial review under sections 14.63 to 14.69.

Sec. 3. Minnesota Statutes 1990, section 79.252, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The purpose of the assigned risk plan is to provide workers' compensation coverage to employers rejected by a two nonaffiliated licensed insurance ~~company~~ companies, pursuant to subdivision 2. One of these two rejections must come from the insurance company that most recently provided workers' compensation coverage to the employer, unless the employer had no previous coverage. Each rejection must be in writing and must be obtained within 60 days before the date of application to the assigned risk plan. In addition, the rejections must also show the name of the insurance company and the representative contacted.

Sec. 4. Minnesota Statutes 1990, section 79.252, subdivision 3, is amended to read:

Subd. 3. [COVERAGE.] (a) Policies and contracts of coverage issued pursuant to section 79.251, subdivision 4, shall contain the usual and customary provisions of workers' compensation insurance policies, and shall be deemed to meet the mandatory workers' compensation insurance requirements of section 176.181, subdivision 2.

(b) Policies issued by the assigned risk plan pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The assigned risk plan board may apply for and obtain any licensure required in any other state to issue that coverage.

Sec. 5. Minnesota Statutes 1990, section 79.252, subdivision 5, is amended to read:

Subd. 5. [RULES.] The commissioner may adopt rules~~, including emergency rules,~~ as may be necessary to implement section 79.251 and this section.

Sec. 6. Minnesota Statutes 1990, section 176.181, subdivision 3, is amended to read:

Subd. 3. [FAILURE TO INSURE, PENALTY.] ~~Any employer who fails to comply with the provisions of subdivision 2 to secure payment of compensation is liable to the state of Minnesota for a penalty of $750, if the number of uninsured employees is less than five and for a penalty of $1,500 if the number of such uninsured employees is five or more. If the commissioner determines that the failure to comply with the provisions of subdivision 2 was willful and deliberate, the employer shall be liable to the state of Minnesota for a penalty of $2,500, if the number of uninsured employees is less than five, and for a penalty of $5,000 if the number of uninsured employees is five or more. If the employer continues noncompliance, the employer is liable for five times the lawful premium for compensation insurance for such employer for the period the employer fails to comply with such provisions, commencing ten days after notice has been served upon the employer by the commissioner of the department of labor and industry by certified mail. These penalties may be recovered jointly or separately in a civil action brought in the name of the state by the attorney general in any court having jurisdiction. Whenever any such failure occurs the commissioner of the department of labor and industry shall immediately certify that fact to the attorney general. Upon receipt of such certification the attorney general shall forthwith commence and prosecute the action. All penalties recovered by the state in any such action shall be paid into the state treasury and credited to the special compensation fund. If an employer fails to comply with the provisions of subdivision 2, to secure payment of compensation after having been notified of the employer's duty, the attorney general, upon request of the commissioner, may proceed against the employer in any court having jurisdiction for an order restraining the employer from having any person in employment at any time when the employer is not complying with the provisions of subdivision 2 or for an order compelling the employer to comply with subdivision 2.~~ (a) If the commissioner has reason to believe that an employer is in violation of subdivision 2, the commissioner may issue an order directing the employer to comply with subdivision 2, to refrain from employing any person at any time without complying with subdivision 2, and to pay a penalty of up to $1,000 per employee per month during which the employer was not in compliance.

(b) An employer shall have ten working days to contest such an order by filing a written objection with the commissioner, stating in

detail its reasons for objecting. If the commissioner does not receive an objection within ten working days, the commissioner's order shall constitute a final order not subject to further review, and violation of that order shall be enforceable by way of civil contempt proceedings in district court. If the commissioner does receive a timely objection, the commissioner shall refer the matter to the office of administrative hearings for an expedited hearing before a compensation judge. The compensation judge shall issue a decision either affirming, reversing, or modifying the commissioner's order within ten days of the close of the hearing. If the compensation judge affirms the commissioner's order, the compensation judge may order the employer to pay an additional penalty if the employer continued to employ persons without complying with subdivision 2 while the proceedings were pending.

(c) All penalties assessed under this subdivision shall be paid into the special compensation fund. Penalties assessed under this section shall constitute a lien for government services pursuant to section 514.67, on all the employer's property and shall be subject to the provisions of the revenue recovery act.

(d) For purposes of this subdivision, the term "employer" includes any owners or officers of a corporation who direct and control the activities of employees.

Sec. 7. Minnesota Statutes 1990, section 176.181, is amended by adding a subdivision to read:

Subd. 8. [DATA SHARING.] (a) The departments of labor and industry, jobs and training, and revenue are authorized to share information regarding the employment status of individuals, including, but not limited to, payroll, withholding and income tax information, and may use that information for purposes consistent with this section.

(b) The commissioner is authorized to inspect and to order the production of all payroll and other business records and documents of any alleged employer in order to determine the employment status of persons and compliance with this section. If any person or employer refuses to comply with such an order, the commissioner may apply to the district court of the county where the person or employer is located for an order compelling production of the documents.

Sec. 8. Minnesota Statutes 1990, section 176.183, is amended to read:

176.183 [UNINSURED AND SELF-INSURED EMPLOYERS; BENEFITS TO EMPLOYEES AND DEPENDENTS; LIABILITY OF EMPLOYER.]

Subdivision 1. When any employee sustains an injury arising out of and in the course of employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or the employee's dependents shall nevertheless receive benefits as provided for in this chapter from the special compensation fund~~, and the commissioner has a cause of action against the employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 percent of all moneys paid out or to be paid out~~. As used in this subdivision, "employer" includes any owners or officers of ~~corporations~~ a corporation who ~~have legal~~ direct and control~~, either individually or jointly with another or others, of the payment of wages~~ the activities of employees. An action to recover ~~the moneys~~ benefits paid shall be instituted unless the commissioner determines that no recovery is possible. All moneys recovered shall be deposited in the general fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.

Subd. 2. Prior to issuing an order against the special compensation fund to pay compensation benefits to an employee, a compensation judge shall first make findings regarding the insurance status of the employer and its liability. The special compensation fund shall not be found liable in the absence of a finding of liability against the employer. Where the liable employer is found to be not insured or self-insured as provided for in this chapter, the compensation judge shall assess and order the employer to pay all compensation benefits to which the employee is entitled and a penalty to the special compensation fund in the amount of 50 percent of all compensation benefits ordered to be paid. An award issued against an employer shall constitute a lien for government services pursuant to section 514.67 on all property of the employer and shall be subject to the provisions of the revenue recovery act. The special compensation fund may enforce the terms of that award in the same manner as a district court judgment. The commissioner of labor and industry, in accordance with the terms of the order awarding compensation, shall pay compensation to the employee or the employee's dependent from the special compensation fund. The commissioner of labor and industry shall certify to the commissioner of finance and to the legislature annually the total amount of compensation paid from the special compensation fund under subdivision 1. The commissioner of finance shall upon proper certification reimburse the special compensation fund from the general fund appropriation provided for this purpose. The amount reimbursed shall be limited to the certified amount paid under this section or the appropriation made for this purpose, whichever is the lesser amount. Compensation paid under this section which is not reimbursed by the general fund shall remain a liability of the special compensation fund and shall be financed by the percentage assessed under section 176.129.

Subd. 3. (a) Notwithstanding subdivision 2, the commissioner may

direct payment from the special compensation fund for compensation payable pursuant to subdivision 1, including benefits payable under sections 176.102 and 176.135, prior to issuance of an order of a compensation judge or the workers' compensation court of appeals directing payment or awarding compensation. Where payment is issued pursuant to a petition for a temporary order, the terms of any resulting order shall have the same status and be governed by the same provisions as an award issued pursuant to subdivision 2 herein.

(b) The commissioner may suspend or terminate an order under clause (a) for good cause as determined by the commissioner.

Subd. 4. If the commissioner authorizes the special fund to commence payment ~~under this section~~ without the issuance of a temporary order, the commissioner shall serve by certified mail notice upon the employer and other interested parties of the intention to commence payment. This notice shall be served at least ten calendar days before commencing payment and shall be mailed to the last known address of the parties. The notice shall include a statement that failure of the employer to respond within ten calendar days of the date of service will be deemed acceptance by the employer of the proposed action by the commissioner and will be deemed a waiver of defenses the employer has to a subrogation or indemnity action by the commissioner. At any time prior to final determination of liability, the employer may appear as a party and present defenses the employer has, whether or not an appearance by the employer has previously been made in the matter. The commissioner has a cause of action against the employer to recover compensation paid by the special fund under this section.

Sec. 9. Minnesota Statutes 1990, section 176.185, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF COVERAGE, TERMINATION, CANCELLATION.] (a) Within ten days after the issuance of a policy of insurance covering the liability to pay compensation under this chapter written by an insurer licensed to insure such liability in this state, the insurer shall file notice of coverage with the commissioner under rules and on forms prescribed by the commissioner. No policy shall be canceled by the insurer within the policy period nor terminated upon its expiration date until a notice in writing is delivered or mailed to the insured and filed with the commissioner, fixing the date on which it is proposed to cancel it, or declaring that the insurer does not intend to renew the policy upon the expiration date. A cancellation or termination is not effective until 30 days after written notice has been filed with the commissioner in a manner prescribed by the commissioner unless prior to the expiration of the 30-day period the employer obtains other insurance coverage or an order exempting the employer from carrying insurance as provided in section 176.181. Upon receipt of the notice, the

commissioner shall notify the insured that the insured must obtain coverage from some other licensed carrier and that, if unable to do so, the insured shall request the commissioner of commerce to require the issuance of a policy as provided in section 79.251, subdivision 4. Upon a cancellation or termination of a policy by the insurer, the employer is entitled to be assigned a policy in accordance with sections 79.251 and 79.252.

(b) Notice of cancellation or termination by the insured shall be served upon the insurer by written statement mailed or delivered to the insurer. Upon receipt of the notice, the insurer shall notify the commissioner of the cancellation or termination and the commissioner shall ask the employer for the reasons for the cancellation or termination and notify the employer of the duty under this chapter to insure the employer's employees.

(c) In addition to the requirements under paragraphs (a) and (b), with respect to any trucker employer in classification 7219, 7230, 7231, ~~or~~ 7360, or 8293 pursuant to the classification plan required to be filed under section 79.61, if the insurer or its agent has delivered or mailed a written certificate of insurance certifying that a policy in the name of a trucker employer under this paragraph is in force, then the insurer or its agent shall also deliver or mail written notice of any midterm cancellation to the trucker employer recipient of the certificate of insurance at the address listed on the certificate. If an insurer or its agent fails to mail or deliver notice of any midterm cancellation of the trucker employer's policy to the trucker employer recipient of the certificate of insurance, then the special compensation fund shall indemnify and hold harmless the recipient from any award of benefits or other damages under this chapter resulting from the failure to give notice.

Sec. 10. Minnesota Statutes 1990, section 176.194, subdivision 5, is amended to read:

Subd. 5. [RULES.] The commissioner may, by rules adopted in accordance with chapter 14, specify additional illegal, misleading, deceptive, ~~or~~ fraudulent practices, or conduct which are subject to the penalties under this section.

Sec. 11. Minnesota Statutes 1990, section 176.261, is amended to read:

176.261 [EMPLOYEE OF COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY MAY ACT FOR AND ADVISE A PARTY TO A PROCEEDING.]

When requested by an employer or an employee or an employee's dependent, the commissioner of the department of labor and industry may designate one or more of the division employees to advise that party of rights under this chapter, and as far as possible to

assist in adjusting differences between the parties. The person so designated may appear in person in any proceedings under this chapter as the representative or adviser of the party. In such case, the party need not be represented by an attorney at law.

Prior to advising a person to seek assistance outside of the department, the department must refer a person seeking advice or requesting assistance in resolving a dispute to an attorney or rehabilitation and medical specialist employed by the department, whichever is appropriate.

The department must make efforts to settle problems of employees and employers by contacting third parties, including attorneys, insurers, and health care providers, on behalf of employers and employees and attempting to settle issues quickly and cooperatively.

Sec. 12. [176.87] [FRAUD UNIT.]

The department shall establish a workers' compensation fraud unit to investigate fraudulent and other illegal practices of health care providers, employers, insurers, attorneys, employees, and others related to workers' compensation. The unit shall review files of the department and may conduct field investigations. If the department determines there is illegal activity, the commissioner must refer the case to the attorney general or other appropriate prosecuting authority. The attorney general and other prosecuting authorities must give high priority to reviewing and prosecuting cases referred to them by the commissioner under this section.

The attorney general shall train personnel of the department of labor and industry in effective investigative practices and in the requisites for successful prosecution of illegal activity under this chapter.

Sec. 13. Minnesota Statutes 1990, section 176A.03, is amended by adding a subdivision to read:

Subd. 3. [COVERAGE OUTSIDE STATE.] Policies issued by the fund pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The fund may apply for and obtain any licensure required in any other state in order to issue the coverage.

Sec. 14. [INITIAL BOARD APPOINTMENT.]

The initial appointments to the assigned risk plan board under Minnesota Statutes, section 79.251, must be made by September 1, 1992.

Of the two members who are insureds, one shall be appointed for a two-year term, and one shall be appointed for a three-year term.

Of the two members who are insurers, one shall be appointed for a one-year term, and one shall be appointed for a two-year term.

Of the three public members, one shall be appointed for a one-year term, one shall be appointed for a two-year term, and one shall be appointed for a three-year term.

Sec. 15. [MANDATED REDUCTIONS.]

(a) As a result of the workers' compensation law changes in this act and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of workers' compensation rates in effect on October 1, 1992, must be reduced by 15 percent and applied by the insurer to all policies with an effective date between October 1, 1992, and December 31, 1993. For purposes of this section, "insurer" includes the assigned risk plan, and "rates" include the rates approved by the commissioner of commerce for the assigned risk plan. The reduction mandated by this section must also be applied on a prorated basis to the unexpired portion of all workers' compensation policies on October 1, 1992. An insurer shall provide a written notice by November 1, 1992, to all workers' compensation policyholders having an unexpired policy with the insurer as of October 1, 1992, that reads as follows: "As a result of the changes in the workers' compensation system enacted by the 1992 legislature, you are entitled to a prorated reduction of 15 percent on your current policy premium."

(b) No rating plan increases may be filed between April 1, 1992, and January 1, 1994.

(c) The commissioner of labor and industry shall survey Minnesota employers to determine if the mandated workers' compensation insurance rate reductions required under this section have been implemented by insurers, both as to amount and in a manner that is uniform and nondiscriminatory between employers having similar risks with respect to a particular occupational classification. The commissioner shall present a report detailing the findings and conclusions to the commission on workers' compensation and the legislature by March 1, 1993.

Sec. 16. [TRUCK DRIVER CLASSIFICATIONS.]

The commissioner of commerce shall evaluate the current system of classification of truck drivers for workers' compensation rate purposes that separates truck drivers in classes 7219, 7380, and 8293 from the classifications for the vast majority of truck drivers employed in the private carrier industry as defined in Minnesota

Statutes, section 221.011, subdivision 26. The commissioner shall determine if the classification is fair and equitable to employers of truck drivers in those three classes. If the commissioner determines that those classifications are not fair and equitable to those three classes, the commissioner shall make findings and issue an order correcting the unfairness or inequity.

Sec. 17. [CLASSIFICATION OF AMBULANCE PERSONNEL.]

The commissioner of commerce shall evaluate whether ambulance personnel are appropriately placed in the 7380 classification for purposes of calculating workers' compensation premiums. The commissioner shall examine the rating mechanism for ambulance personnel, claims experience, and premium costs and determine if the classification is fair and equitable to employers of ambulance personnel. If the commissioner determines that the classification is not fair and equitable, the commissioner shall make findings and issue an order correcting the unfairness or inequity. The commissioner shall report to the legislature by January 15, 1993, on the results of the evaluation and any corrective action taken.

Sec. 18. [DEPARTMENT STUDY; DATA SHARING ON UNINSURED EMPLOYERS.]

The commissioner of the department of labor and industry shall study the issue of whether there is data in the possession of other state or private entities that would assist the department in identifying employers that are not complying with the insurance requirements of Minnesota Statutes, chapter 176. The department shall report the results of its studies to the legislature by January 30, 1993, together with proposed legislation that would enable the department to obtain that information.

Sec. 19. [REPETITIVE MOTION STUDY; DEPARTMENT OF EMPLOYEE RELATIONS.]

The department of employee relations shall assess the number and severity of work-related repetitive motion injuries incurred by state employees. The assessment shall include carpal tunnel and related injuries. The department shall report the results of the assessment to the legislature by January 30, 1993.

In addition, the department shall develop a plan for a pilot project to reduce repetitive motion injuries for which it shall seek funding from the 1993 legislature.

Sec. 20. [INDEPENDENT CONTRACTORS; LEASED EMPLOYEES.]

The commissioner of the department of labor and industry shall

study the practice of employee leasing and declaration of independent contract status as devices to evade or reduce premiums for workers' compensation insurance.

The commissioner shall submit a report to the legislature by January 15, 1993, with the results of the study and proposals for legislative action.

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, section 176.131, is repealed. The special compensation fund shall not reimburse an employer under Minnesota Statutes, section 176.131, for a subsequent injury occurring after June 30, 1992. The special compensation fund shall continue to reimburse employers for subsequent injuries occurring prior to July 1, 1992, and the commissioner of the department of labor and industry shall continue to assess for those reimbursements under Minnesota Statutes, section 176.129.

Sec. 22. [EFFECTIVE DATE.]

Section 1 is effective for policies insuring liability for workers' compensation that are renewed, issued, delivered, or issued for delivery on or after October 1, 1992. Section 2, subdivisions 1 to 4 and 5 to 8, are effective September 1, 1992.

ARTICLE 4

MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 176.081, subdivision 1, is amended to read:

Subdivision 1. (a) A fee for legal services of 25 percent of the first $4,000 of compensation awarded to the employee and 20 percent of the next $27,500 of compensation awarded to the employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in ~~clause (b)~~ paragraph (c).

(b) If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed claims or portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan. Fees for administrative conferences under section 176.239 shall be determined on an hourly basis, according to the criteria in subdivision 5.

~~(b)~~ (c) An attorney who is claiming legal fees ~~under this section~~ for representing an employee in a workers' compensation matter shall file a statement of ~~attorney's~~ attorney fees with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner, shall report the number of hours spent on the case, and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested. If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee.

If a timely objection is filed, or the fee is determined on an hourly basis, the commissioner, compensation judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5.

If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

(d) An attorney representing employers or insurers shall file a statement of attorney fees or wages with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. The statement of attorney fees or wages must contain the following information: the average hourly wage or the value of hours worked on that case if the attorney is an employee of the employer or insurer, the number of hours worked on that case, and the average hourly rate or amount charged an employer or insurer for that case if the attorney is not an employee of the employer or insurer.

(e) Employers and insurers may not pay attorney fees or wages for legal services of more than $6,500 per case unless the additional fees or wages are approved under subdivision 2.

Sec. 2. Minnesota Statutes 1990, section 176.081, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the commissioner, compensation judge, or district judge, before whom the matter was heard. An appeal of a decision by the commissioner, a compensation judge, or district court judge on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested ~~and~~, the

number of hours spent on the case, the basis for the request and whether or not a hearing is requested. The application, with affidavit of service upon the employee, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 3. Minnesota Statutes 1990, section 176.081, subdivision 3, is amended to read:

Subd. 3. [REVIEW.] ~~An employee who~~ A party that is dissatisfied with its attorney fees~~,~~ may file an application for review by the workers' compensation court of appeals. ~~Such~~ The application shall state the basis for the need of review and whether or not a hearing is requested. A copy of ~~such~~ the application shall be served upon the party's attorney ~~for the employee~~ by the court administrator and if a hearing is requested by either party, the matter shall be set for hearing. The notice of hearing shall be served upon known interested parties. ~~The attorney for the employee shall be served with a notice of the hearing.~~ The workers' compensation court of appeals shall have the authority to raise ~~the question of~~ the issue of the attorney fees at any time upon its own motion and shall have continuing jurisdiction over attorney fees.

Sec. 4. Minnesota Statutes 1990, section 176.105, subdivision 1, is amended to read:

Subdivision 1. (a) The commissioner of labor and industry shall by rule establish a schedule of degrees of disability resulting from different kinds of injuries. Disability ratings under the schedule for permanent partial disability must be based on objective medical evidence. The commissioner, in consultation with the medical services review board, shall periodically review the rules adopted under this paragraph to determine whether any injuries omitted from the schedule should be included and amend the rules accordingly.

(b) No permanent partial disability compensation shall be payable except in accordance with the disability ratings established under this subdivision, except as provided in paragraph (c). The schedule may provide that minor impairments receive a zero rating.

(c) If an injury for which there is objective medical evidence is not rated by the permanent partial disability schedule, the unrated injury must be assigned and compensated for at the rating for the most similar condition that is rated.

Sec. 5. [176.178] [FRAUD.]

Any person who, with intent to defraud, receives workers' com-

pensation benefits to which the person is not entitled by knowingly misrepresenting, misstating, or failing to disclose any material fact 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. 6. [176.2615] [SMALL CLAIMS COURT.]

Subdivision 1. [PURPOSE.] There is established in the department of labor and industry a small claims court, to be presided over by settlement judges for the purpose of settling small claims.

Subd. 2. [ELIGIBILITY.] The claim is eligible for determination in the small claims court if referred by the commissioner or if all parties agree to submit to its jurisdiction; and

(1) the claim is for rehabilitation benefits only under section 176.102 or medical benefits only under section 176.135; or

(2) the claim in its total amount does not equal more than $5,000; or

(3) where the claim is for apportionment or for contribution or reimbursement, no counterclaim in excess of $5,000 is asserted.

Subd. 3. [TESTIMONY; EXHIBITS.] At the hearing a settlement judge shall hear the testimony of the parties and consider any exhibits offered by them and may also hear any witnesses introduced by either party.

Subd. 4. [APPEARANCE OF PARTIES.] A party may appear on the party's own behalf without an attorney, or may retain and be represented by a duly admitted attorney who may participate in the hearing to the extent and in the manner that the settlement judge considers helpful. Attorney fees awarded under this subdivision are included in the overall limit allowed under section 176.081, subdivision 1.

Subd. 5. [EVIDENCE ADMISSIBLE.] At the hearing the settlement judge shall receive evidence admissible under the rules of evidence. In addition, in the interest of justice and summary determination of issues before the court, the settlement judge may receive, in the judge's discretion, evidence not otherwise admissible. The settlement judge, on the judge's own motion, may receive into evidence any documents which have been filed with the department.

Subd. 6. [SETTLEMENT.] A settlement judge may attempt to conciliate the parties. If the parties agree on a settlement, the judge shall issue an order in accordance with that settlement.

Subd. 7. [DETERMINATION.] If the parties do not agree to a

settlement, the settlement judge shall summarily hear and determine the issues and issue an order in accordance with section 176.305, subdivision 1a. Any determination by a settlement judge may not be considered as evidence in any other proceeding.

Subd. 8. [COSTS.] The prevailing party is entitled to costs and disbursements as in any other workers' compensation case.

Sec. 7. [176.307] [COMPENSATION JUDGES; BLOCK SYSTEM.]

The chief administrative law judge must assign workers' compensation cases to compensation judges using a block system type of assignment that, among other things, ensures that a case will remain with the same judge from commencement to conclusion unless the judge is removed from the case by exercise of a legal right of a party or by incapacity. The block system must be the principal means of assigning cases, but it may be supplemented by other systems of case assignment to ensure that cases are timely decided.

Sec. 8. [176.325] [CERTIFIED QUESTION.]

Subdivision 1. [WHEN CERTIFIED.] The chief administrative law judge may certify a question of workers' compensation law to the workers' compensation court of appeals as important and doubtful under the following circumstances:

(1) all parties to the case have stipulated in writing to the facts;

(2) the issue to be resolved is a question of workers' compensation law that has not been resolved by the workers' compensation court of appeals or the Minnesota supreme court; and

(3) all parties request that the matter be resolved by certification to the workers' compensation court of appeals as an important and doubtful question.

Subd. 2. [SUPREME COURT REVIEW.] Review by the supreme court of any decision of the workers' compensation court of appeals under this section shall be pursuant to section 176.471.

Subd. 3. [EXPEDITED DECISION.] It is the legislature's intent that the workers' compensation court of appeals and the Minnesota supreme court resolve the certified question as expeditiously as possible, after compliance by the parties with any requirements of the workers' compensation court of appeals or the Minnesota supreme court regarding submission of legal memoranda, oral argument, or other matters, and after the participation of amicus curiae, should the workers' compensation court of appeals or Minnesota supreme court consider such participation advisable.

Subd. 4. [NOTICE.] The chief administrative law judge shall notify all persons who request to be notified of a certification under this section.

Sec. 9. Minnesota Statutes 1990, section 480B.01, subdivision 1, is amended to read:

Subdivision 1. [JUDICIAL VACANCIES.] If a judge of the district court or workers' compensation court of appeals dies, resigns, retires, or is removed during the judge's term of office, or if a new district or workers' compensation court of appeals judgeship is created, the resulting vacancy must be filled by the governor as provided in this section.

Sec. 10. Minnesota Statutes 1990, section 480B.01, subdivision 10, is amended to read:

Subd. 10. [NOTICE TO THE PUBLIC.] Upon receiving notice from the governor that a judicial vacancy has occurred or will occur on a specified date, the chair shall provide notice of the following information:

(1) the office that is or will be vacant;

(2) that applications from qualified persons or on behalf of qualified persons are being accepted by the commission;

(3) that application forms may be obtained from the governor or the commission at a named address; and

(4) that application forms must be returned to the commission by a named date.

For a district court vacancy, the notice must be made available to attorney associations in the judicial district where the vacancy has occurred or will occur and to at least one newspaper of general circulation in each county in the district. For a workers' compensation court of appeals vacancy, the notice must be given to state attorney associations and all forms of the public media.

Sec. 11. Minnesota Statutes 1990, section 609.52, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING THEFT.] Whoever does any of the following commits theft and may be sentenced as provided in subdivision 3:

(1) intentionally and without claim of right takes, uses, transfers, conceals or retains possession of movable property of another with-

out the other's consent and with intent to deprive the owner permanently of possession of the property; or

(2) having a legal interest in movable property, intentionally and without consent, takes the property out of the possession of a pledgee or other person having a superior right of possession, with intent thereby to deprive the pledgee or other person permanently of the possession of the property; or

(3) obtains for the actor or another the possession, custody, or title to property of or performance of services by a third person by intentionally deceiving the third person with a false representation which is known to be false, made with intent to defraud, and which does defraud the person to whom it is made. "False representation" includes without limitation:

(a) the issuance of a check, draft, or order for the payment of money, except a forged check as defined in section 609.631, or the delivery of property knowing that the actor is not entitled to draw upon the drawee therefor or to order the payment or delivery thereof; or

(b) a promise made with intent not to perform. Failure to perform is not evidence of intent not to perform unless corroborated by other substantial evidence; or

(c) the preparation or filing of a claim for reimbursement, a rate application, or a cost report used to establish a rate or claim for payment for medical care provided to a recipient of medical assistance under chapter 256B, which intentionally and falsely states the costs of or actual services provided by a vendor of medical care; or

(d) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 which intentionally and falsely states the costs of or actual treatment or supplies provided; or

(e) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 for treatment or supplies that the provider knew were not medically necessary; or

(4) by swindling, whether by artifice, trick, device, or any other means, obtains property or services from another person; or

(5) intentionally commits any of the acts listed in this subdivision but with intent to exercise temporary control only and:

(a) the control exercised manifests an indifference to the rights of the owner or the restoration of the property to the owner; or

(b) the actor pledges or otherwise attempts to subject the property to an adverse claim; or

(c) the actor intends to restore the property only on condition that the owner pay a reward or buy back or make other compensation; or

(6) finds lost property and, knowing or having reasonable means of ascertaining the true owner, appropriates it to the finder's own use or to that of another not entitled thereto without first having made reasonable effort to find the owner and offer and surrender the property to the owner; or

(7) intentionally obtains property or services, offered upon the deposit of a sum of money or tokens in a coin or token operated machine or other receptacle, without making the required deposit or otherwise obtaining the consent of the owner; or

(8) intentionally and without claim of right converts any article representing a trade secret, knowing it to be such, to the actor's own use or that of another person or makes a copy of an article representing a trade secret, knowing it to be such, and intentionally and without claim of right converts the same to the actor's own use or that of another person. It shall be a complete defense to any prosecution under this clause for the defendant to show that information comprising the trade secret was rightfully known or available to the defendant from a source other than the owner of the trade secret; or

(9) leases or rents personal property under a written instrument and who with intent to place the property beyond the control of the lessor conceals or aids or abets the concealment of the property or any part thereof, or any lessee of the property who sells, conveys, or encumbers the property or any part thereof without the written consent of the lessor, without informing the person to whom the lessee sells, conveys, or encumbers that the same is subject to such lease and with intent to deprive the lessor of possession thereof. Evidence that a lessee used a false or fictitious name or address in obtaining the property or fails or refuses to return the property to lessor within five days after written demand for the return has been served personally in the manner provided for service of process of a civil action or sent by certified mail to the last known address of the lessee, whichever shall occur later, shall be evidence of intent to violate this clause. Service by certified mail shall be deemed to be complete upon deposit in the United States mail of such demand, postpaid and addressed to the person at the address for the person set forth in the lease or rental agreement, or, in the absence of the address, to the person's last known place of residence; or

(10) alters, removes, or obliterates numbers or symbols placed on movable property for purpose of identification by the owner or person who has legal custody or right to possession thereof with the

intent to prevent identification, if the person who alters, removes, or obliterates the numbers or symbols is not the owner and does not have the permission of the owner to make the alteration, removal, or obliteration; or

(11) with the intent to prevent the identification of property involved, so as to deprive the rightful owner of possession thereof, alters or removes any permanent serial number, permanent distinguishing number or manufacturer's identification number on personal property or possesses, sells or buys any personal property with knowledge that the permanent serial number, permanent distinguishing number or manufacturer's identification number has been removed or altered; or

(12) intentionally deprives another of a lawful charge for cable television service by:

(i) making or using or attempting to make or use an unauthorized external connection outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or other connection, or by

(ii) attaching any unauthorized device to any cable, wire, microwave, or other component of a licensed cable communications system as defined in chapter 238. Nothing herein shall be construed to prohibit the electronic video rerecording of program material transmitted on the cable communications system by a subscriber for fair use as defined by Public Law Number 94-553, section 107; or

(13) except as provided in paragraphs (12) and (14), obtains the services of another with the intention of receiving those services without making the agreed or reasonably expected payment of money or other consideration; or

(14) intentionally deprives another of a lawful charge for telecommunications service by:

(i) making, using, or attempting to make or use an unauthorized connection whether physical, electrical, by wire, microwave, radio, or other means to a component of a local telecommunication system as provided in chapter 237; or

(ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other component of a local telecommunication system as provided in chapter 237.

The existence of an unauthorized connection is prima facie evidence that the occupier of the premises:

(i) made or was aware of the connection; and

(ii) was aware that the connection was unauthorized; or

(15) with intent to defraud, diverts corporate property other than in accordance with general business purposes or for purposes other than those specified in the corporation's articles of incorporation; or

(16) with intent to defraud, authorizes or causes a corporation to make a distribution in violation of section 302A.551, or any other state law in conformity with it; or

(17) intentionally takes or drives a motor vehicle without the consent of the owner or an authorized agent of the owner.

Sec. 12. [HEARINGS AT THE OFFICE OF ADMINISTRATIVE HEARINGS; REPORT OF CHIEF ADMINISTRATIVE LAW JUDGE.]

The chief administrative law judge shall reduce the formality and length of hearings in workers' compensation cases at the office of administrative hearings, with a goal of completing 50 percent of the hearings in less than two hours, 75 percent in less than four hours, and nearly all of the hearings in less than one day. Before January 1, 1994, the chief administrative law judge shall report to the legislature on the success in meeting these goals, including any recommendations for legislation needed to achieve these goals.

Sec. 13. [REPEALER.]

Minnesota Statutes, chapters 79, 175A, and 176 and section 175.007 are repealed effective July 1, 1995.

Sec. 14. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment.

ARTICLE 5

SELF-INSURANCE

Section 1. Minnesota Statutes 1990, section 79A.02, is amended by adding a subdivision to read:

Subd. 3. [AUDIT OF SELF-INSURANCE APPLICATION.] (a) The self-insurer's security fund shall retain a certified public accountant who shall perform services for, and report directly to, the commissioner of commerce. The certified public accountant shall review each application to self-insure, including the applicant's financial data. The certified public accountant shall provide a report to the commissioner of commerce indicating whether the applicant has

met the requirements of section 79A.03, subdivisions 2 and 3. Additionally, the certified public accountant shall provide advice and counsel to the commissioner about relevant facts regarding the applicant's financial condition.

(b) If the report of the certified public accountant is used by the commissioner as the basis for the commissioner's determination regarding the applicant's self-insurance status, the certified public accountant shall be made available to the commissioner for any hearings or other proceedings arising from that determination.

(c) The commissioner shall provide the advisory committee with the summary report by the certified public accountant and any financial data in possession of the department of commerce that is otherwise available to the public.

The cost of the review shall be the obligation of the self-insurer's security fund.

Sec. 2. Minnesota Statutes 1990, section 79A.02, is amended by adding a subdivision to read:

Subd. 4. [RECOMMENDATIONS TO COMMISSIONER REGARDING REVOCATION.] After each fifth anniversary from the date each individual and group self-insurer becomes certified to self-insure, the committee shall review all relevant financial data filed with the department of commerce that is otherwise available to the public and make a recommendation to the commissioner about whether each self-insurer's certificate should be revoked.

Sec. 3. Minnesota Statutes 1990, section 79A.03, subdivision 3, is amended to read:

Subd. 3. [NET WORTH.] ~~Each individual self-insurer shall have and maintain a net worth at least equal to the greater of ten times the retention limit selected with the workers' compensation reinsurance association or one-third the amount of the self-insurer's current annual modified premium. The requirements of this subdivision shall be modified if the self-insurer can demonstrate through a reinsurance program, other than coverage provided by the workers' compensation reinsurance association, that it can pay expected losses without endangering the financial stability of the company.~~ Each individual self-insurer's net worth, as presented on its audited balance sheet filed with the department of commerce, shall equal at least ten percent of the entity's total assets and shall equal at least ten times the retention level selected with the workers' compensation reinsurance association.

Sec. 4. Minnesota Statutes 1990, section 79A.03, subdivision 4, is amended to read:

Subd. 4. [ASSETS, NET WORTH, AND LIQUIDITY.] (a) Each individual self-insurer shall have and maintain sufficient assets, net worth, and liquidity to promptly and completely meet all of its obligations that may arise under chapter 176 or this chapter. In determining whether a self-insurer meets this requirement, the commissioner shall consider the self-insurer's current ratio; its long-term and short-term debt to equity ratios; its net worth; financial characteristics of the particular industry in which the self-insurer is involved; any recent changes in the management and ownership of the ~~company~~ self-insurer; any excess insurance purchased by the self-insurer from a licensed company or an authorized surplus line carrier, other than excess insurance from the workers' compensation reinsurance association; any other financial data submitted to the commissioner by the ~~company~~ self-insurer; and the ~~company's~~ self-insurer's workers' compensation experience for the last four years. Notwithstanding any other provision of this chapter, the commissioner may deny an application for self-insurance authority or terminate existing self-insurance authority if the applicant or self-insurer does not have sufficient assets, net worth, and liquidity to promptly and completely meet all of its self-insurance obligations.

(b) An individual self-insurer must have had positive net income as shown on audited income statements filed with the department of commerce during three of the last five years and cumulatively over the five-year period. If the self-insurer has been in existence less than five years, it must have had cumulative net income during the period of existence and in the most recent year.

(c) An individual self-insurer must have had cash generated from operations as shown on the audited statements of cash flows filed with the department of commerce during three of the last five years and cumulatively over the five-year period. If the self-insurer has been in existence less than five years, it shall have had cumulative cash generated from operations during the period of existence and in the most recent year.

(d) No entity shall be admitted as an individual self-insurer, or be allowed to continue its self-insurance authority, if the audit report for the most recent year includes an explanatory paragraph stating that the auditor has concluded that there is substantial doubt about the entity's ability to continue as a going concern.

Sec. 5. Minnesota Statutes 1990, section 79A.03, subdivision 7, is amended to read:

Subd. 7. [FINANCIAL STANDARDS.] A group proposing to self-insure shall have and maintain:

(a) A combined net worth of all of the members of an amount at least equal to the greater of ten times the retention selected with the

workers' compensation reinsurance association or one-third of the current annual modified premium of the members. ~~The requirements of this paragraph shall be modified if the self-insurer can demonstrate that through excess insurance, other than coverage provided by the workers' compensation reinsurance association, it can pay expected losses.~~

(b) Sufficient assets, net worth, and liquidity to promptly and completely meet all obligations of its members under chapter 176 or this chapter. In determining whether a group is in sound financial condition, consideration shall be given to the combined net worth of the member companies; the consolidated long-term and short-term debt to equity ratios of the member companies; any excess insurance other than reinsurance with the workers' compensation reinsurance association, purchased by the group from an insurer licensed in Minnesota or from an authorized surplus line carrier; other financial data requested by the commissioner or submitted by the group; and the combined workers' compensation experience of the group for the last four years.

Sec. 6. Minnesota Statutes 1990, section 79A.03, subdivision 9, is amended to read:

Subd. 9. [FILING REPORTS.] (a) Incurred losses, paid and unpaid, specifying indemnity and medical losses by classification, payroll by classification, and current estimated outstanding liability for workers' compensation shall be reported to the commissioner by each self-insurer on a calendar year basis, in a manner and on forms available from the commissioner. Payroll information must be filed by April 1 of the following year, and loss information and total workers' compensation liability must be filed by August 1 of the following year.

(b) Each self-insurer shall, under oath, attest to the accuracy of each report submitted pursuant to paragraph (a). Upon sufficient cause, the commissioner shall require the self-insurer to submit a certified audit of payroll and claim records conducted by an independent auditor approved by the commissioner, based on generally accepted accounting principles and generally accepted auditing standards, and supported by an actuarial review and opinion of the future contingent liabilities. The basis for sufficient cause shall include the following factors: where the losses reported appear significantly different from similar types of businesses; where major changes in the reports exist from year to year, which are not solely attributable to economic factors; or where the commissioner has reason to believe that the losses and payroll in the report do not accurately reflect the losses and payroll of that employer. If any discrepancy is found, the commissioner shall require changes in the self-insurer's or workers' compensation service company record keeping practices.

(c) With the annual loss report due August 1, each self-insurer shall report to the commissioner any workers' compensation claim from the previous year where the full, undiscounted value is estimated to exceed $50,000, in a manner and on forms prescribed by the commissioner.

(d) Each individual self-insurer shall, within four months after the end of its fiscal year, annually file with the commissioner its latest 10K report required by the Securities and Exchange Commission. If an individual self-insurer does not prepare a 10K report, it shall file an annual certified financial statement, together with such other financial information as the commissioner may require to substantiate data in the financial statement.

(e) ~~Each group self-insurer shall, within four months after the end of the fiscal year for that group, annually file a statement showing the combined net worth of its members based upon an accounting review performed by a certified public accountant, together with such other financial information the commissioner may require to substantiate data in the group's summary statement.~~ Each member of the group shall, within four months after the end of each fiscal year for that group, file the most recent annual financial statement, reviewed by a certified public accountant in accordance with the Statements on Standards for Accounting and Review Services, Volume 2, the American Institute of Certified Public Accountants Professional Standards, or audited in accordance with generally accepted auditing standards, together with such other financial information the commissioner may require. In addition, the group shall file, within four months after the end of each fiscal year for that group, combining financial statements of the group members, compiled by a certified public accountant in accordance with the Statements on Standards for Accounting and Review Services, Volume 2, the American Institute of Certified Public Accountants Professional Standards. The combining financial statements shall include, but not be limited to, a balance sheet, income statement, statement of changes in net worth, and statement of cash flow. Each combining financial statement shall include a column for each individual group member along with a total column.

Where a group has 50 or more members, the group shall file, in lieu of the combining financial statements, a combined financial statement showing only the total column for the entire group's balance sheet, income statement, statement of changes in net worth, and statement of cash flow. Additionally, the group shall disclose, for each member, the total assets, net worth, revenue, and income for the most recent fiscal year. The combining and combined financial statements may omit all footnote disclosures.

(f) In addition to the financial statements required by paragraphs (d) and (e), interim financial statements or 10Q reports required by the Securities and Exchange Commission may be required by the

commissioner upon an indication that there has been deterioration in the self-insurer's financial condition, including a worsening of current ratio, lessening of net worth, net loss of income, the downgrading of the company's bond rating, or any other significant change that may adversely affect the self-insurer's ability to pay expected losses. Any self-insurer that files an 8K report with the Securities and Exchange Commission shall also file a copy of the report with the commissioner within 30 days of the filing with the Securities and Exchange Commission.

Sec. 7. Minnesota Statutes 1990, section 79A.04, subdivision 2, is amended to read:

Subd. 2. [MINIMUM DEPOSIT.] The minimum deposit is 110 percent of the private self-insurer's estimated future liability. Up to ten percent of that deposit may be used to secure payment of all administrative and legal costs relating to or arising from the employer's self-insuring. As used in this section, "private self-insurers' estimated future liability" means the private self-insurers' total of estimated future liability as determined by a member of the casualty actuarial society ~~every two years for nongroup member private self-insurers, and~~ every year for group member private self-insurers and, for a nongroup member private self-insurer's authority to self-insure, every year for the first five years. After the first five years, the nongroup member's total shall be as determined by a member of the casualty actuarial society every two years, and each such actuarial study shall include a projection of future losses during the two-year period until the next scheduled actuarial study, less payments anticipated to be made during that time. Estimated future liability is determined by first taking the total amount of the self-insured's future liability of workers' compensation claims and then deducting the total amount which is estimated to be returned to the self-insurer from any specific excess insurance coverage, aggregate excess insurance coverage, and any supplementary benefits or second injury benefits which are estimated to be reimbursed by the special compensation fund. Supplementary benefits or second injury benefits will not be reimbursed by the special compensation fund unless the special compensation fund assessment pursuant to section 176.129 is paid and the reports required thereunder are filed with the special compensation fund. In the case of surety bonds, bonds shall secure administrative and legal costs in addition to the liability for payment of compensation reflected on the face of the bond. In no event shall the security be less than the last retention limit selected by the self-insurer with the workers' compensation reinsurance association. The posting or depositing of security pursuant to this section shall release all previously posted or deposited security from any obligations under the posting or depositing and any surety bond so released shall be returned to the surety. Any other security shall be returned to the depositor or the person posting the bond.

Sec. 8. Minnesota Statutes 1990, section 79A.06, subdivision 5, is amended to read:

Subd. 5. [PRIVATE EMPLOYERS WHO HAVE CEASED TO BE SELF-INSURED.] Private employers who have ceased to be private self-insurers shall discharge their continuing obligations to secure the payment of compensation which is accrued during the period of self-insurance, for purposes of Laws 1988, chapter 674, sections 1 to 21, by compliance with all of the following obligations of current certificate holders:

(1) Filing reports with the commissioner to carry out the requirements of this chapter;

(2) Depositing and maintaining a security deposit for accrued liability for the payment of any compensation which may become due, pursuant to chapter 176. However, if a private employer who has ceased to be a private self-insurer purchases an insurance policy from an insurer authorized to transact workers' compensation insurance in this state which provides coverage of all claims for compensation arising out of injuries occurring during the period the employer was self-insured, whether or not reported during that period, the policy will discharge the obligation of the employer to maintain a security deposit for the payment of the claims covered under the policy. The policy may not be issued by an insurer unless it has previously been approved as to form and substance by the commissioner; and

(3) Paying within 30 days all assessments of which notice is sent by the security fund, for a period of seven years from the last day its certificate of self-insurance was in effect. Thereafter, the private employer who has ceased to be a private self-insurer may either: (a) continue to pay within 30 days all assessments of which notice is sent by the security fund until it has no incurred liabilities for the payment of compensation arising out of injuries during the period of self-insurance; or (b) pay the security fund a cash payment equal to four percent of the net present value of all remaining incurred liabilities for the payment of compensation under sections 176.101 and 176.111 as certified by a member of the casualty actuarial society. Assessments shall be based on the benefits paid by the employer during the ~~last full~~ calendar year ~~of self-insurance on claims incurred during that year~~ immediately preceding the calendar year in which the employer's right to self-insure is terminated or withdrawn.

In addition to proceedings to establish liabilities and penalties otherwise provided, a failure to comply may be the subject of a proceeding before the commissioner. An appeal from the commissioner's determination may be taken pursuant to the contested case procedures of chapter 14 within 30 days of the commissioner's written determination.

Any current or past member of the self-insurers' security fund is subject to service of process on any claim arising out of chapter 176 or this chapter in the manner provided by section 303.13, subdivision 1, clause (3), or as otherwise provided by law. The issuance of a certificate to self-insure to the private self-insured employer shall be deemed to be the agreement that any process which is served in accordance with this section shall be of the same legal force and effect as if served personally within this state.

Sec. 9. [79A.071] [CUSTODIAL ACCOUNTS.]

Subdivision 1. [DEPOSIT.] All securities shall be deposited with the state treasurer or in a custodial account with a depository institution acceptable to the state treasurer. Surety bonds shall be filed with the commissioner. The commissioner and the state treasurer may sell or collect, in the case of default of the employer or fund, the amount that yields sufficient funds to pay compensation due under the workers' compensation act.

Subd. 2. [ASSIGNMENT.] Securities in physical form deposited with the state treasurer must bear the following assignment, which shall be signed by an officer, partner, or owner: "Assigned to the state of Minnesota for the benefit of injured employees of the self-insured employer under the Minnesota workers' compensation act." Any securities held in a custodial account, whether in physical form, book entry, or other form, need not bear the assignment language. The instrument or contract creating and governing any custodial account must contain the following assignment language: "This account is assigned to the state treasurer by the Company to pay compensation and perform the obligations of employers imposed under Minnesota Statutes, chapter 176. A depositor or other party has no right, title, or interest in the security deposited in the account until released by the state."

Subd. 3. [CUSTODY.] All securities in physical form on deposit with the state treasurer and surety bonds on deposit shall remain in the custody of the state treasurer or the commissioner for a period of time dictated by the applicable statute of limitations provided in the workers' compensation act. All original instruments and contracts creating and governing custodial accounts shall remain with the state treasurer or the commissioner for a period of time dictated by the applicable statute of limitations provided in the workers' compensation act.

Subd. 4. [RELEASE.] No securities in physical form on deposit with the state treasurer or custodial accounts assigned to the state shall be released without an order from the commissioner.

Subd. 5. [EXCHANGING OR REPLACING.] Any securities deposited with the state treasurer or with a custodial account assigned to the state treasurer or surety bonds held by the commissioner may be

exchanged or replaced by the depositor with other acceptable securities or surety bonds of like amount so long as the market value of the securities or amount of the surety bond equals or exceeds the amount of deposit required. If securities are replaced by a surety bond, the self-insurer must maintain securities on deposit in an amount sufficient to meet all outstanding workers' compensation liability arising during the period covered by the deposit of the replaced securities, subject to the limitations on maximum security deposits established in Minnesota Rules.

Sec. 10. [REPEALER.]

Minnesota Rules, part 2780.0400, subparts 2, 3, 6, 7, and 8, are repealed.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective August 1, 1992. For insurers that have Minnesota self-insurance authority on August 1, 1992, section 4 is effective August 1, 1995."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating benefits, providers, dispute resolution, and insurance; providing rights and duties; permitting the adoption of administrative rules; requiring studies; providing penalties; amending Minnesota Statutes 1990, sections 79.251; 79.252, subdivisions 1, 3, and 5; 79A.02, by adding subdivisions; 79A.03, subdivisions 3, 4, 7, and 9; 79A.04, subdivision 2; 79A.06, subdivision 5; 176.011, subdivisions 3, 9, 11a, and 18; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 2, 4, 6, 9, and 11; 176.103, subdivisions 2, 3, and by adding a subdivision; 176.105, subdivision 1; 176.106, by adding a subdivision; 176.111, subdivision 18; 176.135, subdivisions 1, 5, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.155, subdivision 1; 176.181, subdivision 3, and by adding a subdivision; 176.183; 176.185, subdivision 1; 176.194, subdivision 5; 176.261; 176.645, subdivisions 1 and 2; 176.83, subdivision 5, and by adding a subdivision; 176A.03, by adding a subdivision; 480B.01, subdivisions 1 and 10; and 609.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 79, 79A, and 176; repealing Minnesota Rules, part 2780.0400, subparts 2, 3, 6, 7, and 8; Minnesota Statutes 1990, sections 175.007; 176.131; 176.135, subdivision 3; 176.136, subdivision 5; and Minnesota Statutes, chapter 79, 175A, and 176."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 2041, A bill for an act relating to the treatment of juvenile offenders; establishing pilot projects for mental health and chemical dependency screening and treatment of juveniles in detention; appropriating money; amending Minnesota Statutes 1990, section 260.185, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 260.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [260.152] [MENTAL HEALTH AND CHEMICAL DEPENDENCY SCREENING OF JUVENILES IN DETENTION.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of human services, in cooperation with the commissioner of corrections, shall establish four pilot programs in counties to reduce the recidivism rates of juvenile offenders, by identifying and treating underlying mental health and chemical dependency problems that contribute to delinquent behavior.

Subd. 2. [PROGRAM COMPONENTS.] The commissioners of corrections and human services shall, in consultation with the Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans, provide grants to counties to establish pilot projects that identify juvenile offenders who have mental health and chemical dependency needs. Pilot projects shall build upon the existing service capabilities in the community and must include:

(1) screening for mental health problems of all juveniles admitted to a secure detention facility as defined in section 260.015, subdivision 16, and any juvenile alleged to be a delinquent child as that term is defined in section 260.015, subdivision 5, who is admitted to a shelter care facility, as defined in section 260.015, subdivision 17;

(2) screening for chemical dependency problems for juveniles specified in clause (1), unless they are already subject to mandatory chemical use assessments under this chapter;

(3) referral for mental health and chemical dependency assessment of all youth for whom the screening indicates a need. This assessment is to be provided by the appropriate mental health or chemical dependency professional. If the youth is of a minority race or minority ethnic heritage, the mental health or chemical dependency professional must be skilled in and knowledgeable about the youth's racial and ethnic heritage, or must consult with a special

mental health or chemical dependency consultant who has such knowledge so that the assessment is relevant, culturally specific, and sensitive to the youth's cultural needs; and

(4) upon completion of the assessment, access to or provision of mental health or chemical dependency services identified as needed in the assessment.

The screening tool must be developed by, or approved by, the commissioner of human services and must meet the qualifications and standards of subdivision 3.

Subd. 3. [SCREENING TOOL.] The commissioner of human services and the commissioner of corrections shall jointly develop a model screening tool that can be used to screen youth held in juvenile detention to determine if a mental health or chemical dependency assessment is needed. This tool should contain specific questions which indicate potential mental health or chemical dependency problems. Counties, in implementing this program, may use this model tool or may develop their own, so long as the screening tool is approved by the commissioner of human services and meets the requirements of this section.

Subd. 4. [PROGRAM REQUIREMENTS.] To receive funds, the county program proposal shall be a joint proposal with all affected local agencies, resulting in part from consultation with the local coordinating council established under section 245.4873, subdivision 3, and the local mental health advisory council established under section 245.4875, subdivision 5, and shall contain the following:

(1) evidence of interagency collaboration by all publicly funded agencies serving children with emotional disturbances or chemical dependency, including evidence of consultation with the agencies listed in this section;

(2) a signed agreement by the local court services and local mental health and county social service agencies to work together on the following: development of program; development of written interagency agreements and protocols to ensure that the mental health and chemical dependency needs of juvenile offenders are identified, addressed, and treated; and development of a procedure for joint evaluation of the program;

(3) a description of existing services that will be used in this program; and

(4) a description of additional services that will be developed with program funds, including estimated costs and numbers of children to be served.

The commissioner of human services and the commissioner of corrections shall jointly determine the application form, information needed, deadline for application, criteria for awards, and a process for providing technical assistance and training to counties. The technical assistance shall include information about programs that have been successful in reducing recidivism by juvenile offenders.

Subd. 5. [INTERAGENCY AGREEMENTS.] To receive funds, the county must agree to develop written interagency agreements between local court services agencies, local county mental health agencies, and the agency with responsibility for assessing chemical dependency treatment needs within six months of receiving the initial program funds. These agreements shall include a description of each local agency's responsibilities, with a detailed assignment of the tasks necessary to implement the program. The agreement shall state how they will comply with the confidentiality requirements of the participating local agencies.

Subd. 6. [EVALUATION.] The commissioner of human services and the commissioner of corrections shall, in consultation with the Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans, develop systems and procedures for evaluating the pilot projects. The agencies must develop an interagency management information system to track minors in custody who receive mental health and chemical dependency services. The system must be designed to meet the information needs of the agencies involved and to provide a basis for evaluating outcome data. The system must be designed to track the mental health and chemical dependency treatment of minors in custody and to improve the planning, delivery, and evaluation of services and increase interagency collaboration. The evaluation protocol must be designed to measure the impact of the program on juvenile recidivism, school performance, and state and county budgets.

Subd. 7. [REPORT.] On January 1, 1994, and annually after that, the commissioner of corrections and the commissioner of human services shall present a joint report to the legislature on the pilot projects funded under this section. The report shall include information on the following:

(1) the number of juvenile offenders screened and assessed;

(2) the number of youths referred for mental health or chemical dependency services, types of services provided, and costs;

(3) the number of subsequently adjudicated juveniles that received mental health or chemical dependency services under this program; and

(4) the estimated cost savings of the program and the impact on crime.

Sec. 2. Minnesota Statutes 1990, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for the child's conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) a child placing agency; or

(2) the county welfare board; or

(3) a reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245A.01 to 245A.16; or

(4) a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to $700; the court shall order payment of the fine in accordance with a time payment

schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

If the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342, 609.343, 609.344, or 609.345, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If the assessment indicates that the child is in need of and amenable to sex offender treatment, the court shall include in its disposition order a requirement that the child undergo treatment.

If the child is found delinquent due to the commission of a level offense that would be a felony if committed by an adult, the court shall make a specific finding on the record regarding the juvenile's mental health and chemical dependency treatment needs.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) why the best interests of the child are served by the disposition ordered; and

(b) what alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

Sec. 3. [APPROPRIATIONS.]

Subdivision 1. [COMMISSIONER OF HUMAN SERVICES.] $..... is appropriated from the general fund to the commissioner of

human services for purposes of implementing section 1 for the fiscal year ending June 30, 1993.

Subd. 2. [COMMISSIONER OF JOBS AND TRAINING.] $..... is appropriated from the general fund to the commissioner of jobs and training for the fiscal year ending June 30, 1993, to provide additional funding for youth intervention programs under section 268.30.

Subd. 3. [USE OF APPROPRIATIONS.] Money appropriated by this section may not be used to pay for out-of-home placement or to replace current funding for programs presently in operation, but must be used to expand existing programs or initiate new ones."

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

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2121, A bill for an act relating to education; providing for general education and related revenue, transportation, special programs, other aids, levies, and programs; appropriating money; amending Minnesota Statutes 1990, sections 120.101, subdivision 5; 120.102, subdivision 1; 120.17, subdivisions 3a, 8a, 12, 14, 16, and by adding subdivisions; 121.148, subdivision 3; 121.11, by adding a subdivision; 121.16, subdivision 1; 121.935, by adding subdivisions; 122.22, by adding a subdivision; 122.23, subdivisions 13, 16, and by adding a subdivision; 122.247, subdivision 1; 122.531, subdivisions 1a, 2, 2a, 2b, and 2c; 122.532, subdivision 2; 123.35, by adding a subdivision; 123.3514, subdivisions 6, as amended, as reenacted, 6b, as amended, as reenacted, and by adding a subdivision; 123.39, subdivision 8d; 123.58, by adding a subdivision; 123.744, as amended, as reenacted; 124.243, subdivision 2, and by adding a subdivision; 124.2725, subdivision 13; 124.331, subdivisions 1 and 3; 124.431, by adding a subdivision; 124.493, subdivision 1; 124.494, subdivisions 2, 4, and 5; 124.73, subdivision 1; 124.83, subdivisions 2, 6, and by adding subdivisions; 124.85, subdivision 4; 124A.22, subdivision 2a, and by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2, and by adding a subdivision; 124C.07; 124C.08, subdivision 2; 124C.09; 124C.61; 125.05, subdivisions 1, 7, and by adding subdivisions; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 126.12, subdivision 2; 126.22, by adding a subdivision; 127.46; 128A.09, subdivision 2, and by adding a subdivision; 128C.01, subdivision 4; 128C.02, by adding a subdivision; 134.34, subdivision 1, and by adding a subdivision; 136D.75; 182.666, subdivisions 6 and 7; 275.125, subdivision 10, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections

120.062, subdivision 8a; 120.064, subdivision 4; 120.17, subdivisions 3b, 7a, and 11a; 120.181; 121.585, subdivision 3; 121.831; 121.904, subdivisions 4a and 4e; 121.912, subdivision 6; 121.932, subdivisions 2 and 5; 121.935, subdivisions 1 and 6; 122.22, subdivision 9; 122.23, subdivision 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.531, subdivision 4a; 123.3514, subdivisions 4 and 11; 123.702, subdivisions 1, 1a, and 1b; 124.155, subdivision 2; 124.19, subdivisions 1, 1b, and 7; 124.214, subdivisions 2 and 3; 124.2601, subdivision 6; 124.2721, subdivision 3b; 124.2727, subdivision 6, and by adding subdivisions; 124.493, subdivision 3; 124.646, subdivision 4; 124.83, subdivision 1; 124.95, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 124A.03, subdivisions 1c, 2, 2a, and by adding a subdivision; 124A.23, subdivisions 1 and 4; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 125.185, subdivisions 4 and 4a; 125.62, subdivision 6; 126.70; 135A.03, subdivision 3a; 136D.22, subdivision 3; 136D.71, subdivision 2; 136D.76, subdivision 2; 136D.82, subdivision 3; 245A.03, subdivision 2; 275.065, subdivision 1; 275.125, subdivisions 6j and 11g; 364.09; and 373.42, subdivision 2; Laws 1990, chapter 366, section 1, subdivision 2; Laws 1991, chapter 265, articles 3, section 39, subdivision 16; 4, section 30, subdivision 11; 5, sections 18, 23, and 24, subdivision 4; 6, sections 64, subdivision 6, 67, subdivision 3, and 68; 7, sections 37, subdivision 6, 41, subdivision 4, and 44; 8, sections 14 and 19, subdivision 6; and 9, sections 75 and 76; proposing coding for new law in Minnesota Statutes, chapters 121; 123; 124; 124C; and 135A; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 122.23, subdivisions 16a and 16b; 124.274; 125.03, subdivision 5; 128A.022, subdivision 5; 134.34, subdivision 2; 136C.06; 136D.74, subdivision 3; 136D.76, and subdivision 3; Minnesota Statutes 1991 Supplement, sections 121.935, subdivisions 7 and 8; 123.35, subdivision 19; 124.2721, subdivisions 5a and 5b; 124.2727, subdivisions 1, 2, 3, 4, and 5; and 136D.90, subdivision 2; Laws 1990, chapters 562, article 12; and 604, article 8, section 12; and Laws 1991, chapter 265, article 9, section 73.

Reported the same back with the following amendments:

Page 15, line 19, delete "15" and insert "14"

Page 37, line 12, delete "(3)" and insert "(4)"

Page 102, after line 10, insert:

"Sec. 4. Minnesota Statutes 1990, section 136C.69, subdivision 3, is amended to read:

Subd. 3. [LEVY.] (a) A member district that has transferred a technical college facility to the joint board may levy upon all taxable property in the member district, the following:

(1) in the first levy certified after the transfer, 75 percent of the amount of the district's most recent service fee allocation;

(2) in the second levy certified after the transfer, 50 percent of the amount of the district's service fee allocation under clause (1); and

(3) in the third levy certified after the transfer, 25 percent of the amount of the district's service fee allocation under clause (1).

(b) The proceeds of the levy may be placed in the general fund or any other fund of the district. Any unexpended portion of the proceeds so received must not be considered in the net undesignated fund balance of the member district for the three fiscal years to which the levy is attributable.

(c) Notwithstanding section 121.904, the proceeds of this levy must be recognized in the fiscal year in which it is certified."

Page 114, line 33, delete "one year"

Page 119, line 13, after "upon" insert "specific"

Page 122, line 19, delete "annually" and insert "develop a process for"

Page 122, line 20, delete "devote at least one school assembly to"

Page 122, line 21, after "policy" insert "with students and school employees"

Page 127, line 3, delete "2" and insert "34"

Page 135, line 16, reinstate the stricken language

Page 136, line 5, delete "of this section"

Renumber the sections in Article 7 in sequence

Correct internal references

Amend the title as follows:

Page 1, line 34, after the semicolon insert "136C.69, subdivision 3;"

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

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 2282, A bill for an act relating to natural resources; specifying certain provisions applicable to recipients of snowmobile grant funds; exempting snowmobile testing activities from applicable speed limits under certain conditions; allowing the use of snowmobiles on certain conservation lands unless prohibited by rule of the commissioner of natural resources; amending Minnesota Statutes 1990, sections 84.83, by adding a subdivision; 84.87, by adding a subdivision; and 84A.55, by adding a subdivision.

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

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 2316, A bill for an act relating to living wills; adding certain information to the suggested health care declaration form; amending Minnesota Statutes 1990, section 145B.04.

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

The report was adopted.

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

H. F. No. 2421, A bill for an act relating to wetlands; making technical and other minor changes to the wetland conservation act of 1991; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 84.036; 103F.612, subdivision 2; 103F.616; 103F.901, subdivisions 5 and 8; 103F.902; 103F.903, subdivisions 1 and 4; 103F.904; 103G.005, subdivisions 10a and 19; 103G.222; 103G.2241, subdivision 1; 103G.2242, subdivisions 6 and 7; 103G.2369, subdivisions 2 and 3; 103G.237, subdivision 4, and by adding a subdivision; and 275.295.

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

The report was adopted.

Segal from the Committee on Economic Development to which was referred:

H. F. No. 2482, A bill for an act relating to economic development; authorizing the commissioner of trade and economic development to certify designated cities; providing tax credits for job creation; providing an exemption from sales tax for certain equipment and materials; authorizing the establishment of business opportunity districts; requiring regional development commissions to establish permit information centers; amending Minnesota Statutes 1990, section 116C.34, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116C; proposing coding for new law as Minnesota Statutes, chapter 116S.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"CHAPTER 116S

DESIGNATED COUNTIES

Section 1. [116S.01] [DESIGNATED COUNTIES.]

The commissioner of trade and economic development shall certify counties which are designated counties. A county is a designated county if the county has had a decline in population from 1980 to 1990, as determined by the 1990 federal decennial census.

For purposes of sections 1 to 3, "designated county" means a county designated by the commissioner of trade and economic development as provided under this section and a city of the second class that is designated as an economically depressed area by the United States Department of Commerce.

Sec. 2. [116S.02] [CREDIT FOR JOB CREATION.]

(a) A business with operations located in a designated county may take a credit against the tax due under chapter 290 for five taxable years. For purposes of this section, "business" means a business entity organized for profit, including a sole proprietorship, partnership, or corporation.

(b) The credit is equal to $2,500 multiplied by the number of persons paid an annual wage of at least $15,000 and employed by the business within the designated county on a full-time basis on the last day of the taxable year, not to exceed the number of persons paid an annual wage of at least $15,000 and employed by the business on a full-time basis within the designated county on the date 90 days before the last day of the taxable year.

(c) For the first taxable year in which the credit is allowed, the credit must not exceed 80 percent of the wages paid to or incurred for persons paid an annual wage of at least $15,000 and employed by the taxpayer in the designated county during the taxable year. For the succeeding four taxable years, the credit must not exceed 20 percent of the wages paid to or incurred for persons paid an annual wage of at least $15,000 and employed by the taxpayer in the designated county during the taxable year. For purposes of this subdivision, "wages" has the meaning given under section 3121(b) of the Internal Revenue Code of 1986, as amended through December 31, 1991, except the limitation to the contribution and benefit base does not apply.

(d) If the credit provided under this subdivision exceeds the tax liability of the business for the taxable year, the excess amount of the credit may be carried over to each of the ten taxable years succeeding the taxable year. The entire amount of the credit must be carried to the earliest taxable year to which the amount may be carried. The unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year more than ten years after the taxable year in which the credit was earned.

(e) The credit authorized under this section is increased to $5,000 if the business utilizes fiber optics in its operations in the designated county.

(f) Tax credits under this section shall only be taken for new job creation through expansion of jobs in the state. No tax credits shall be taken for jobs moved from one area of Minnesota to another area of the state.

Sec. 3. [116S.03] [RESEARCH AND DEVELOPMENT CREDIT.]

(a) A business with operations located in a designated county may take a credit of $2,500 against the tax due under chapter 290 for up to five taxable years if the business spends at least ten percent of its revenue for research and development activities for each of the taxable years that the credit is taken. For purposes of this section, "business" means a business entity organized for profit, including a sole proprietorship, partnership, or corporation.

(b) The carryforward provisions authorized in section 2, paragraph (d), apply to the research and development credit.

Sec. 4. [116S.04] [SALES TAX EXEMPTION.]

Materials, equipment, and supplies used or consumed in constructing or incorporated into the construction of a new manufacturing facility or expansion of an existing one in a designated county are exempt from the taxes imposed under chapter 297A. Except for equipment owned or leased by a contractor, all machinery, equipment, and tools necessary to the construction, expansion, or equipping of the facility are also exempt.

Sec. 5. [116S.05] [BUSINESS OPPORTUNITY DISTRICTS.]

Subdivision 1. [AUTHORIZATION.] A city located in a designated county or a city of the second class that is designated as an economically depressed area by the United States Department of Commerce may create business opportunity districts within which the powers of tax increment financing as provided in sections 469.174 to 469.179 may be exercised. Except as otherwise provided in this section, the provisions of sections 469.174 to 469.179 apply to the districts. For purposes of this section, "city" has the meaning given for "authority" in section 469.174, subdivision 2.

Subd. 2. [REDEVELOPMENT DISTRICT.] For the purposes of exercising tax increment financing powers under this section, "redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the city finds by resolution that one of the following conditions, reasonably distributed throughout the district, exists:

(1) parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or other improvements and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; or

(2) at least 25 percent of the area of the district is tax-forfeited land.

Subd. 3. [EXEMPTION.] Section 273.1399 does not apply to a district created under this section.

Sec. 6. [APPLICATION AND EFFECTIVE DATE.]

Section 2 is effective for taxable years beginning after December 31, 1992, and only applies to new jobs created after December 31, 1992."

Delete the title and insert:

"A bill for an act relating to economic development; authorizing the commissioner of trade and economic development to certify designated counties; providing tax credits for job creation and research and development activities; providing an exemption from sales tax for certain equipment and materials; authorizing the establishment of business opportunity districts; proposing coding for new law as Minnesota Statutes, chapter 116S."

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

The report was adopted.

Rodosovich from the Committee on Health and Human Services to which was referred:

H. F. No. 2532, A bill for an act relating to human services; limiting the powers and duties of public guardian or conservator to the commissioner; amending Minnesota Statutes 1990, section 252A.111, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [252.431] [SUPPORTED EMPLOYMENT SERVICES; DEPARTMENTAL DUTIES; COORDINATION.]

The commissioners of jobs and training, human services, and education shall ensure that supported employment services provided as part of a comprehensive service system will:

(1) provide the necessary supports to assist persons with severe disabilities to obtain and maintain employment in normalized work settings available to the general work force that:

(i) maximize community and social integration; and

(ii) provide job opportunities that meet the individual's career potential and interests;

(2) allow persons with severe disabilities to actively participate in the planning and delivery of community-based employment services at the individual, local, and state level; and

(3) be coordinated among the departments of human services, jobs and training, and education to:

(i) promote the most efficient and effective funding;

(ii) avoid duplication of services; and

(iii) improve access and transition to employability services.

The commissioners of jobs and training, human services, and education shall report to the legislature by January 1993 on the steps taken to implement this section.

Sec. 2. [PUBLIC GUARDIANSHIP; REPORT.]

Except as specified in this section, the commissioner of human services shall, within 90 days of the effective date of this section, submit for publication in the State Register, the rule parts proposed under the authority of section 252A.21, subdivision 2. Notwithstanding the contrary requirements of section 252A.21, subdivision 2, the commissioner of human services shall not adopt any rule provision under this section requiring that the county staff that performs public guardianship or conservatorship duties on behalf of a person with mental retardation cannot be the same worker that provides case management services, unless the state provides sufficient new state funding to cover the additional county costs of complying with this requirement.

The commissioner shall submit a report to the legislature by January 15, 1993, which contains alternative proposals for providing services to public wards and which includes recommendations on the establishment of an independent public guardianship office."

Delete the title and insert:

"A bill for an act relating to human services; defining supported employment services; prohibiting the commissioner from adopting rules requiring counties to separate their public guardianship function from their case management function, unless state funding is provided to cover county costs; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 252."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2645, A bill for an act relating to commerce; regulating residential building contractors and remodelers; providing licensing requirements; amending Minnesota Statutes 1991 Supplement, sections 326.83, subdivision 10, and by adding subdivisions; and 326.84, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 4, is amended to read:

Subd. 4. [LICENSEE.] "Licensee" means a residential building contractor, or residential remodeler, ~~or specialty contractor~~ licensed under sections 326.83 to 326.98.

Sec. 2. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 6, is amended to read:

Subd. 6. [PUBLIC MEMBER.] "Public member" means a person who is not, and never was, a residential ~~builder,~~ building contractor, residential remodeler, or specialty contractor or the spouse of such person, or a person who has no, or never has had a, material financial interest in acting as a residential building contractor, residential remodeler, or specialty contractor or a directly related activity.

Sec. 3. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 7, is amended to read:

Subd. 7. [RESIDENTIAL REMODELER.] "Residential Remodeler" means a person in the business of contracting or offering to contract with an owner to improve existing residential real estate. ~~A remodeler has two or more special skills~~ by providing two or more special skills as defined in this section.

Sec. 4. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 8, is amended to read:

Subd. 8. [RESIDENTIAL BUILDING CONTRACTOR.] "Residential building contractor" means a person in the business of ~~building residential real estate or of~~ contracting or offering to contract with an owner to build residential real estate or improve existing residential real estate by providing two or more special skills as defined in this section. A residential building contractor may also contract

or offer to contract with an owner to improve existing residential real estate.

Sec. 5. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 10, is amended to read:

Subd. 10. [SPECIALTY CONTRACTOR.] "Specialty contractor" means a person ~~other than a residential building contractor, remodeler, or material supplier~~ in the business of contracting or offering to contract with an owner to ~~make part of an improvement to residential real estate, including roofing~~ build or improve residential real estate by providing one special skill as defined in this section.

Sec. 6. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 11. [SPECIAL SKILL.] "Special skill" means one of the following nine categories:

(a) [EXCAVATION.] Excavation includes work in any of the following areas:

(1) excavation;

(2) trenching;

(3) grading;

(4) site grading; and

(5) septic systems.

(b) [MASONRY AND CONCRETE.] Masonry and concrete includes work in any of the following areas:

(1) drain systems;

(2) poured walls;

(3) slabs and poured-in-place footings;

(4) masonry walls;

(5) masonry fireplaces;

(6) masonry veneer; and

(7) water resistance and waterproofing.

(c) [CARPENTRY.] Carpentry includes work in any of the following areas:

(1) rough framing;

(2) finish carpentry;

(3) siding;

(4) door, windows, and skylights;

(5) exterior covering and trim;

(6) porches and decks;

(7) wood foundations;

(8) insulation and vapor barrier;

(9) drywall installation, excluding taping and finishing;

(10) cabinet and counter top installation;

(11) wood floors; and

(12) installation of roofing materials, excluding reroofing.

(d) [INTERIOR FINISHING.] Interior finishing includes work in any of the following areas:

(1) floor covering;

(2) wood floors;

(3) cabinet installation;

(4) insulation and vapor barriers;

(5) counter tops;

(6) painting and decorating;

(7) ceramic, marble, and quarry tile; and

(8) ornamental guardrail and prefabricated stairs.

(e) [EXTERIOR FINISHING.] Exterior finishing includes work in any of the following areas:

(1) siding;

(2) doors and windows;

(3) soffit fascia and trim;

(4) exterior plaster and stucco;

(5) painting;

(6) rain carrying systems, including gutters and down spouts; and

(7) roofing.

(f) [DRYWALL AND PLASTER.] Drywall and plaster includes work in any of the following areas:

(1) installation;

(2) taping;

(3) finishing; and

(4) interior plaster.

(g) [ROOFING.] Roofing includes work in any of the following areas:

(1) roof coverings;

(2) roof sheathing;

(3) roof weatherproofing and insulation;

(4) repair of roof support system, but not construction of new roof support system; and

(5) skylights.

(h) [GENERAL INSTALLATION SPECIALTIES.] Installation includes work in any of the following areas:

(1) garage doors and openers;

(2) pools, spas, and hot tubs;

(3) fireplaces and wood stoves; and

(4) asphalt paving and seal coating.

Sec. 7. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 12. [PERSON.] "Person" means a natural person, firm, partnership, corporation, or association, and the officers, directors, employees, or agents of that person.

Sec. 8. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 13. [QUALIFYING PERSON.] "Qualifying person" means the individual who fulfills the examination and education requirements for licensure on behalf of the licensee.

Sec. 9. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 14. [GROSS ANNUAL RECEIPTS.] "Gross annual receipts" means the total amount derived from contracting activities, and must not be reduced by cost of goods sold, expenses, losses, or any other amount.

Sec. 10. Minnesota Statutes 1991 Supplement, section 326.84, subdivision 1, is amended to read:

Subdivision 1. [PERSONS REQUIRED TO BE LICENSED.] A person who offers to provide two or more special skills as defined in section 326.83 must be licensed as a residential building contractor or residential remodeler, unless the person is licensed by the state as a specialty contractor for each of those special skills.

Subd. 1a. [PROHIBITION.] Except as provided in subdivision 3, no ~~person may engage in the work of a~~ persons required to be licensed by subdivision 1 may act or hold themselves out as residential building ~~contractor, remodeler, or specialty contractor~~ contractors or residential remodelers for compensation without a valid license issued by the commissioner. ~~The commissioner shall recommend which types of one-skill competency or single special skill groups must be licensed as specialty contractors and report to the legislature by January 31, 1992, with the recommended types of specialty groups, the licensing procedures, and potential continuing education requirements.~~

Subd. 1b. [LICENSING CRITERIA.] The examination and education requirements for licensure under sections 326.84 to 326.98 must be fulfilled by a qualifying person designated by the potential

licensee. For a sole proprietorship, the qualifying person must be the proprietor or managing employee. For a partnership, the qualifying person must be a general partner or managing employee. For a corporation, the qualifying person must be a chief executive officer or managing employee. If the qualifying person is a managing employee, the qualifying person must be an employee who is regularly employed by the licensee and is actively engaged in the classification of work for which the managing employee qualifies on behalf of the licensee. A qualifying person for a corporation may act as a qualifying person for one additional corporation if one of the following conditions exists:

(1) there is a common ownership of at least 25 percent of each licensed corporation for which the person acts in a qualifying capacity; or

(2) one corporation is a subsidiary of another corporation for which the same person acts in a qualifying capacity. "Subsidiary," as used in this section, means a corporation of which at least 25 percent is owned by the parent corporation.

Sec. 11. Minnesota Statutes 1991 Supplement, section 326.84, subdivision 3, is amended to read:

Subd. 3. [~~EXCEPTIONS~~ EXEMPTIONS.] The license requirement does not apply to:

(1) an employee of a licensee performing work for the licensee;

(2) a material person, manufacturer, or retailer furnishing finished products, materials, or articles of merchandise who does not install or attach the items;

(3) an owner or owners of residential real estate ~~who improve the residential real estate or~~ who build or improve ~~a structure on the~~ residential real estate and who do the work themselves or jointly with the owner's own employees or agents. This exemption does not apply to an owner who engages in a pattern of building or improving real estate for purposes of resale. Such a pattern is presumed to exist if the owner sells more than one property so built or improved within any 12-month period;

(4) an architect or engineer engaging in professional practice as defined in this chapter;

(5) a person engaging in any project by one or more contracts, for which the aggregate contract price, including labor, materials, installation, and all other items, is less than $2,500. The $2,500 limit may be exceeded by the unlicensed person if the person's total

gross annual receipts from projects regulated under this section do not exceed $15,000;

(6) a mechanical contractor~~,~~;

(7) a plumber, ~~or~~ electrician, or other person whose profession is otherwise subject to statewide licensing, when engaged in the activity authorized by that license;

~~(7) a person doing excavation for the installation of an on-site sewage treatment system;~~

(8) ~~all specialty contractors that were required to be licensed by the state before the effective date of Laws 1991, chapter 306, sections 7 to 22; and~~

~~(9)~~ specialty contractors ~~that are not required to be licensed, as determined by the legislature~~ who provide only one special skill as defined in section 326.83;

(9) a school district, technical college, or a school district or technical college instructor acting within the scope of employment; and

(10) manufactured housing installers.

To qualify for the exemption in clause (5), a person must obtain a certificate of exemption from licensing from the commissioner.

A certificate of exemption will be issued upon the applicant's filing with the commissioner, an affidavit stating that the applicant does not expect to engage in any project with a contract price over $2,500 or to exceed $15,000 in gross annual receipts derived from contracting activities during the calendar year for which the exemption is requested.

To renew the exemption in clause (5), the applicant must file an affidavit stating that:

(i) the applicant did not engage in any project with a contract price over $2,500, and did not exceed $15,000 in gross annual receipts during the past calendar year; and

(ii) does not expect to engage in any project with a contract price over $2,500 or to exceed $15,000 in gross annual receipts during the calendar year for which the exemption is requested.

If a person, operating under the exemption in clause (5), engages in a project with a contract price over $2,500 or exceeds $15,000 in gross receipts during any calendar year, the person must immedi-

ately apply for the appropriate license. The person must remain licensed until such time as the person's gross annual receipts during a calendar year fall below $15,000 and do not include any projects with a contract price over $2,500. The person may then apply for this exemption for the next calendar year.

Sec. 12. Minnesota Statutes 1991 Supplement, section 326.85, subdivision 1, is amended to read:

Subdivision 1. [BUILDERS ~~STATE~~ ADVISORY COUNCIL.] The commissioner shall appoint seven persons to the builders ~~state~~ advisory council. At least three members of the council must reside in greater Minnesota, as defined in section 116O.02, subdivision 5. At least one member of the council must be a residential building contractor, one a residential remodeler, one a specialty contractor, one a representative of the commissioner, one a local building official, and one a public member.

Sec. 13. Minnesota Statutes 1991 Supplement, section 326.86, is amended to read:

326.86 [FEES.]

Subdivision 1. [LICENSING FEE.] The licensing fee for ~~residential building contractors and remodelers~~ persons licensed pursuant to sections 326.83 to 326.98 is ~~$60 for the license period ending March 31, 1993, and~~ $75 ~~for each~~ per year ~~thereafter.~~ The commissioner may adjust the fees under section 16A.128 to recover the costs of administration and enforcement. ~~The commissioner shall establish licensing fees for specialty contractors under section 16A.128. The fees must be limited to the cost of license administration and enforcement and must be deposited in the state treasury and credited to the general fund.~~

Subd. 2. [LOCAL SURCHARGE.] A local government unit may place a surcharge in an amount no greater than $5 on each building permit that requires a licensed residential building contractor, residential remodeler, or specialty contractor for the purpose of license verification. The local government may verify a license by telephone or facsimile machine.

Sec. 14. Minnesota Statutes 1991 Supplement, section 326.87, subdivision 2, is amended to read:

Subd. 2. [HOURS.] A ~~licensee~~ qualifying person of a ~~general residential contractor or remodeler~~ licensee must provide proof of completion of 15 hours for each ~~two-year~~ license period. ~~Continuing real estate hours and continuing general residential contractor or remodeler hours must be granted for the same course if it meets the guidelines for an approved course in each license program.~~ To the

extent the commissioner considers it appropriate, courses or parts of courses may be considered to satisfy both continuing education requirements under this section and continuing real estate education requirements.

Sec. 15. [326.875] [NOTICE OF CHANGE.]

Written notice must be given to the commissioner by each licensee of any change in personal name, trade name, qualifying person, address or business location not later than 15 business days after the change. The commissioner shall issue an amended license, if required, for the unexpired period.

Sec. 16. Minnesota Statutes 1991 Supplement, section 326.88, is amended to read:

326.88 [~~TEMPORARY LICENSES~~ LOSS OF QUALIFYING PERSON.]

~~A temporary license must be issued to residential building contractors, remodelers, or specialty contractors if the person who obtained a license under section 326.84, subdivision 2, clause (2) or (3), leaves the partnership or corporation because of death, disability, retirement, or position change. A temporary license expires after one year and may not be renewed.~~ Upon the departure of a licensee's qualifying person because of death, disability, retirement, or position change, the licensee must notify the commissioner within 15 business days. The licensee shall have 120 days from the departure of the qualifying person to obtain a new qualifying person. Failure to secure a new qualifying person within 120 days will result in the automatic termination of the license.

Sec. 17. Minnesota Statutes 1991 Supplement, section 326.89, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The application must include the following information regarding the applicant:

(1) Minnesota workers' compensation insurance account number;

(2) employment insurance account number;

(3) certificate of liability insurance;

(4) type of license requested;

~~(4)~~ (5) name and address of the applicant ~~if the applicant is a sole proprietorship; name and address of each partner if the applicant is a partnership; or name and address of each of the corporate officers,~~

~~directors, and all shareholders holding more than five percent of the outstanding stock in the corporation;~~;

(i) name and address of the applicant's qualifying person, if other than applicant; and

(ii) if the applicant is a sole proprietorship, the name and address of the sole proprietor; if applicant is a partnership, name and address of each partner; if applicant is a corporation, name and address of each of the corporate officers, directors, and all shareholders holding more than ten percent of the outstanding stock in the corporation;

~~(5)~~ (6) whether the applicant or qualifying person has ever been licensed in this or any other state and has had a professional or vocational license refused, suspended, or revoked, or has been the subject of any administrative action;

~~(6)~~ (7) whether the applicant, qualifying person, or any of ~~its~~ the applicant's corporate or partnership directors, officers, limited or general partners, managers, or all shareholders holding more than ~~five~~ ten percent of the outstanding stock of the corporation has been convicted of a crime that either related directly to the business for which the license is sought or involved fraud, misrepresentation, or misuse of funds; has suffered a judgment in a civil action involving fraud, misrepresentation, negligence, or breach of contract, or conversion within the ten years prior to the submission of the application; or has had any government license or permit suspended or revoked as a result of an action brought by a federal, state, or local governmental unit or agency in this or any other state;

~~(7) the applicant's education and experience as they relate to the requested type of license; and~~

(8) the applicant's and qualifying person's business history for the past five years and whether the applicant or qualifying person has ever filed for bankruptcy or protection from creditors or has any unsatisfied judgments against the applicant or qualifying person; and

(9) whether the qualifying person is the qualifying person for more than one licensee.

For purposes of this subdivision, "applicant" includes employees who exercise management or policy control over the company, estimators, partnership directors, officers, limited or general partners, managers, or all shareholders holding more than ten percent of the outstanding stock of the corporation.

The commissioner may require further information as the com-

missioner deems appropriate to administer the provisions and further the purposes of this chapter.

Sec. 18. Minnesota Statutes 1991 Supplement, section 326.89, subdivision 3, is amended to read:

Subd. 3. [EXAMINATION.] ~~All individual applicants~~ Each qualifying person must satisfactorily complete a written examination for the type of license requested. The commissioner may establish the examination qualifications, including related education experience and education, the examination procedure, and the examination for each licensing group. The examination must include at a minimum the following areas:

(1) appropriate knowledge of technical terms commonly used and the knowledge of reference materials and code books to be used for technical information; and

(2) understanding of the general principles of business management and other pertinent state laws.

Each examination must be designed for the specified type of license requested. The council shall advise the commissioner on the grading, monitoring, and updating of examinations.

Sec. 19. Minnesota Statutes 1991 Supplement, section 326.89, is amended by adding a subdivision to read:

Subd. 3a. [ELIGIBILITY.] Any person may take the license examination. After satisfactorily completing the examination, an individual may be designated as the qualifying person for a licensee at any time, provided the individual has also fulfilled the continuing education requirements set forth in section 326.87 in the manner required for the qualifying person of a licensee.

Sec. 20. Minnesota Statutes 1991 Supplement, section 326.89, is amended by adding a subdivision to read:

Subd. 6. [ADDITIONAL LICENSING REQUIREMENTS.] Unless the commissioner denies the application for licensure pursuant to section 326.91, subdivision 1, the commissioner shall, as a condition of licensure and based upon information received pursuant to section 326.89, subdivision 2, clauses (5), (6), and (8), or a finding pursuant to section 326.91, subdivision 1, clauses (1) to (9), impose additional bonding, insurance, reporting, record keeping, and other requirements on the applicant as are necessary to protect the public.

Sec. 21. Minnesota Statutes 1991 Supplement, section 326.91, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATIVE ACTION.] Section 45.027 applies to any action taken by the commissioner in connection with the administration of sections 326.83 to 326.98.

Nothing in this section prevents the commissioner from denying, suspending, revoking, or restricting a license, or from censuring a licensee based on acts or omissions not specifically enumerated in this subdivision.

Sec. 22. Minnesota Statutes 1991 Supplement, section 326.92, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANOR.] A person required to be licensed under sections 326.83 to 326.98 who performs unlicensed work ~~as a residential building contractor, remodeler, or specialty contractor~~ is guilty of a misdemeanor.

Sec. 23. Minnesota Statutes 1991 Supplement, section 326.92, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER ACTION.] The commissioner may bring actions, including cease and desist actions, against ~~an unlicensed or licensed residential building contractor, remodeler, or specialty contractor~~ any person required to be licensed under sections 326.83 to 326.98 to protect the public health, safety, and welfare.

Sec. 24. Minnesota Statutes 1991 Supplement, section 326.93, subdivision 1, is amended to read:

Subdivision 1. [LICENSE.] A nonresident of Minnesota may be licensed as a residential building contractor, or residential remodeler, ~~or specialty contractor~~ upon compliance with all the provisions of sections 326.83 to 326.98.

Sec. 25. Minnesota Statutes 1991 Supplement, section 326.94, subdivision 2, is amended to read:

Subd. 2. [INSURANCE.] ~~Residential building contractors, remodelers, and specialty contractors~~ Licensees must have public liability insurance with limits of at least $100,000 per occurrence ~~and $10,000 property damage insurance~~. The commissioner may increase the minimum amount of insurance required ~~based on the type of license and the annual gross receipts of the licensee~~ for any licensee or class of licensees if the commissioner considers it to be in the public interest and necessary to protect the interests of Minnesota consumers.

Sec. 26. Minnesota Statutes 1991 Supplement, section 326.97, subdivision 1, is amended to read:

Subdivision 1. [~~APPROVAL~~ RENEWAL.] Licensees whose applications have been properly and timely filed and who have not received notice of denial of renewal are considered to have been approved for renewal and may continue to transact business whether or not the renewed license has been received. Application for renewal of a license is required every two years after the initial issuance. Applications are timely if received or postmarked by ~~December~~ March 15 of the ~~year prior to the~~ renewal year. Applications must be made on a form approved by the commissioner.

Sec. 27. [326.975] [CONTRACTOR'S RECOVERY FUND.]

In addition to any other fees, each applicant shall pay a fee to the contractor's recovery fund. The contractor's recovery fund is created in the state treasury and must be administered by the commissioner in the manner provided by section 82.34 with the following exceptions:

(1) each licensee who renews a license shall pay in addition to the appropriate renewal fee an additional fee of $50 which shall be credited to the contractor's recovery fund. Any person who receives a new license shall pay a fee of $100 in addition to all other fees payable. Anyone licensed prior to the effective date of this section shall, on their next renewal date, pay a fee of $100 to the contractor's recovery fund;

(2) the sole purpose of this fund is to compensate any aggrieved person who obtains a final judgment in any court of competent jurisdiction against a licensee licensed under section 324.84, on grounds of fraudulent, deceptive, or dishonest practices, conversion of funds, or negligence or failure of performance arising directly out of any transaction when the judgment debtor was licensed and performed acts for which a license is required under section 324.84 and which cause of action arose on or after March 31, 1993; and

(3) nothing may obligate the fund for more than $50,000 per claimant, nor more than $50,000 per licensee. If claims against a licensee exceed $50,000, payment will be prorated among claimants.

Sec. 28. Minnesota Statutes 1991 Supplement, section 326.99, is amended to read:

326.99 [INITIAL TEMPORARY LICENSES.]

Residential building contractors and residential remodelers must obtain a temporary license, which is effective as of January 1, 1992. The commissioner may stagger the temporary licenses so that approximately one-half of the licenses will expire on March 31, 1993, and the other one-half on March 31, 1994.

Sec. 29. Minnesota Statutes 1991 Supplement, section 326.991, is amended to read:

326.991 [~~EXEMPTION~~ EXCEPTION.]

The license requirement under section 326.84 does not apply to a residential building contractor, residential remodeler, or specialty contractor licensed by the city of St. Paul or the city of Minneapolis and who is performing work within the legal boundaries of one of those municipalities. ~~The two cities shall adopt and administer the tests for the residential building contractors and remodelers established in section 326.89 within six months of the effective date of the rules establishing the examinations.~~ The commissioner may ~~by rule establish a procedure for~~ contract with the city of Minneapolis and the city of St. Paul to administer this licensing program ~~on a contract basis~~.

Sec. 30. [REPEALER.]

Minnesota Statutes 1991 Supplement, sections 326.83, subdivision 7; 326.84, subdivision 2; 326.88, subdivision 2; and 326.94, subdivision 1, are repealed.

Minnesota Statutes 1991 Supplement, section 326.991, is repealed July 31, 1994."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2804, A bill for an act relating to agriculture; requiring labels for packaged wild rice offered for wholesale or retail sale in Minnesota to customers or consumers in Minnesota to include the place of origin and the method of harvesting; eliminating annual reporting requirements and modifying record keeping requirements; amending Minnesota Statutes 1990, section 30.49, subdivisions 1, 2, 3, and by adding subdivisions.

Reported the same back with the following amendments:

Page 1, line 16, delete the new language

Page 1, line 27, strike "may" and insert "must"

Page 2, lines 13 and 14, delete "to consumers or customers in this state"

Page 2, line 24, delete "to consumers or customers in this state"

Page 3, delete lines 28 to 36

Page 4, delete lines 1 to 3, and insert:

"(c) The records for persons who sell or offer wild rice for sale at retail must include an invoice indicating:

(1) the actual name of the product;

(2) the amount purchased;

(3) the date of the purchase; and

(4) the name, address, zip code, and telephone number of the supplier."

Page 4, after line 23, insert:

"Sec. 7. Minnesota Statutes 1990, section 30.49, is amended by adding a subdivision to read:

Subd. 8. [EXCEPTION.] This section does not apply to cultivated or natural lake or river wild rice sold at wholesale or retail outside this state."

Renumber the remaining section in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 2896, A bill for an act relating to crimes; increasing the distance an accused or convicted person may be transferred without an escort of the same sex; amending Minnesota Statutes 1990, section 631.412.

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

The report was adopted.

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

S. F. No. 976, A bill for an act relating to animals; classifying domestic European ferrets as domestic animals; providing for their health and welfare; proposing coding for new law in Minnesota Statutes, chapter 346.

Reported the same back with the following amendments:

Page 1, line 7, delete "[346.415]" and insert "[343.341]" and delete "DOMESTIC"

Page 1, delete lines 8 to 10 and insert:

"Subdivision 1. [DEFINITION.] For purposes of this section, European ferret, also known as the domestic European ferret, means the mustela putorius furo ferret."

Page 1, lines 11 and 14, delete "Domestic"

Page 1, line 17, delete "domestic"

Page 2, lines 2, 5, 8, and 10, delete "domestic"

Page 2, after line 11, insert:

"Subd. 8. [NEGLECT OF FERRETS.] Cases of abuse or neglect shall be the responsibility of local animal control authorities.

Subd. 9. [LOCAL ORDINANCES.] This section shall not preempt local ordinances that prohibit or regulate the ownership of european ferrets or wild animals or exotic animals."

Amend the title as follows:

Page 1, line 2, delete "domestic"

Page 1, line 5, delete "346" and insert "343"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 217, 1680, 1823, 1903, 1952, 2282, 2316, 2421, 2532, 2645, 2804 and 2896 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1722 and 976 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

McEachern and Bauerly introduced:

H. F. No. 3001, A resolution memorializing the Congress of the United States to fund special education costs in the amount originally intended under Public Law Number 94-142.

The bill was read for the first time and referred to the Committee on Education.

Wenzel; Nelson, S.; Rodosovich; Steensma and Krueger introduced:

H. F. No. 3002, A bill for an act relating to agriculture; establishing a state over-order premium milk price for dairy farmers for certain milk; requiring an annual report.

The bill was read for the first time and referred to the Committee on Agriculture.

Vanasek; Welle; Anderson, I.; Runbeck and Bauerly introduced:

H. F. No. 3003, A resolution making application to the Congress of the United States to adopt an amendment to the Constitution of the United States, for submission to the States, to require, with certain exceptions, that the Federal budget be balanced.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Winter; Johnson, R.; Janezich and Bodahl introduced:

H. F. No. 3004, A bill for an act relating to lawful gambling; taxes; exempting lawful gambling profits from the unrelated business income tax; amending Minnesota Statutes 1991 Supplement, section 290.05, subdivision 3.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Ogren, Dawkins, Ostrom, Uphus and Jaros introduced:

H. F. No. 3005, A bill for an act relating to taxation; reducing the income tax deduction for personal exemptions; changing certain income tax rates; amending Minnesota Statutes 1990, section 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a; 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

HOUSE ADVISORIES

The following House Advisories were introduced:

Solberg introduced:

H. A. No. 41, A proposal to study the options for a Swan Lake Sanitary District in Itasca County.

The advisory was referred to the Committee on Local Government and Metropolitan Affairs.

O'Connor; McEachern; Anderson, I., and Boo introduced:

H. A. No. 42, A proposal to study motor vehicle deputy registrars.

The advisory was referred to the Committee on Governmental Operations.

O'Connor, McEachern, Knickerbocker and Schreiber introduced:

H. A. No. 43, A proposal to study the desirability of a change to biennial sessions.

The advisory was referred to the Committee on Rules and Legislative Administration.

O'Connor, Reding, Hanson, McEachern and Uphus introduced:

H. A. No. 44, A proposal to study regulated occupations and professions.

The advisory was referred to the Committee on Governmental Operations.

O'Connor, Orenstein, Begich, Lourey and Vellenga introduced:

H. A. No. 45, A proposal to study classification of independent subcontractors to avoid payment of workers' compensation insurance.

The advisory was referred to the Committee on Labor-Management Relations.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 1013, A bill for an act repealing certain pipeline approval authority of the commissioner of natural resources; repealing Minnesota Statutes 1990, section 117.49.

H. F. No. 1744, A bill for an act relating to retirement; public employees retirement association; providing entitlement for optional annuities to certain surviving spouses of certain deceased disabilitants; mandating a study of coordinated program survivorship benefit gaps.

H. F. No. 2744, A bill for an act relating to the department of employee relations; modifying expense account terms and uses;

amending Minnesota Statutes 1991 Supplement, section 43A.48.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1567, A bill for an act relating to retirement; Falcon Heights volunteer firefighters relief associations; authorizing full vesting with five years of service.

PATRICK E. FLAHAVEN, Secretary of the Senate

S. F. No. 1300, as amended by Conference, was in possession of the House when the 1991 Session adjourned.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1300.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1300

A bill for an act relating to agriculture; allowing exemption of certain garbage from requirements for feeding to livestock or poultry; amending Minnesota Statutes 1990, section 35.73, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 35.

May 20, 1991

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1300, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 1300 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 35.73, subdivision 4, is amended to read:

Subd. 4. [GARBAGE.] "Garbage" means animal or vegetable refuse, including all waste material, by-products of a kitchen, restaurant, or slaughter house, and refuse accumulation of animal, fruit, or vegetable matter, liquid or solid, but does not mean vegetable waste or by-products resulting from the manufacture or processing of canned or frozen vegetables or materials exempted under section 2.

Sec. 2. [35.751] [EXEMPT MATERIALS PERMIT.]

Subdivision 1. [PERMIT REQUIRED.] If it is considered by the board to be in the best interest of the livestock industry of the state and not detrimental to the public health, safety, or general welfare, the board may adopt rules authorizing an exempt materials permit for specified materials of a nonmeat nature. No person may feed material exempted under section 35.73, subdivision 4, to livestock or poultry without first securing a permit from the board, and no person may transport exempted material over the public highways of the state for the purpose of feeding it to livestock or poultry unless the person has a permit. A permit must be renewed on or before July 1 each year.

Subd. 2. [APPLICATION.] A person desiring a permit or the renewal of a permit under this section shall make written application to the board in accordance with its rules.

Subd. 3. [REVOCATION; DENIAL.] Upon determination that a person who has a permit or who has applied for a permit issued under this section has violated sections 35.73 to 35.79 or any rules made under those sections, the board may revoke the permit or refuse to issue a permit to the applicant.

Sec. 3. Minnesota Statutes 1990, section 41.55, is amended to read:

41.55 [ELIGIBILITY.]

A family farm security loan approval may be granted if the following criteria are satisfied:

(a) that the applicant is a resident of the state of Minnesota;

(b) that the applicant has sufficient education, training, or experience in the type of farming for which the loan is desired and ~~continued~~ participation in a farm management program~~,~~ approved by the commissioner~~, for at least the first ten years of the family farm security loan~~;

(c) that the applicant and the applicant's dependents and spouse have total net worth valued at less than $75,000 and have demonstrated a need for the loan;

(d) that the applicant intends to purchase farm land to be used by the applicant for agricultural purposes;

(e) that the applicant is credit worthy according to standards prescribed by the commissioner.

Sec. 4. Minnesota Statutes 1990, section 41.57, subdivision 3, is amended to read:

Subd. 3. [ANNUAL REVIEW ~~OF NET WORTH~~.] (a) The participant and the participant's dependents and spouse shall annually submit to the commissioner a statement of their net worth. If their net worth in any year exceeds the sum of $135,000, the participant shall be ineligible for a payment adjustment in that year.

(b) The participant shall annually submit to the commissioner evidence of participation in an approved farm management program for at least the first ten years of the family farm security loan. The commissioner may waive this requirement if the participant requests a waiver and provides justification.

Sec. 5. Minnesota Statutes 1990, section 41B.036, is amended to read:

41B.036 [GENERAL POWERS OF THE AUTHORITY.]

For the purpose of exercising the specific powers granted in section 41B.04 and effectuating the other purposes of sections 41B.01 to 41B.23 the authority has the general powers granted in this section.

(a) It may sue and be sued.

(b) It may have a seal and alter the seal.

(c) It may make, and from time to time, amend and repeal rules consistent with sections 41B.01 to 41B.23.

(d) It may acquire, hold, and dispose of real or personal property for its corporate purposes.

(e) It may enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 41B.01 to 41B.23.

(f) It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate.

(g) It may provide general technical services related to rural finance.

(h) It may provide general consultative assistance services related to rural finance.

(i) It may promote research and development in matters related to rural finance.

(j) It may enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of farms financed in whole or in part by the proceeds of qualified agricultural loans.

(k) It may enter into agreements with other appropriate federal, state, or local governmental units to foster rural finance. It may give advance reservations of loan financing as part of the agreements, with the understanding that the authority will only approve the loans pursuant to normal procedures, and may adopt special procedures designed to meet problems inherent in such programs.

(l) It may undertake and carry out studies and analyses of rural financing needs within the state and ways of meeting such needs including: data with respect to geographical distribution; farm size; the distribution of farm credit needs according to debt ratios and similar factors; the amount and quality of available financing and its distribution according to factors affecting rural financing needs and the meeting thereof; and may make the results of such studies and analyses available to the public and may engage in research and disseminate information on rural finance.

(m) It may survey and investigate the rural financing needs throughout the state and make recommendations to the governor and the legislature as to legislation and other measures necessary or advisable to alleviate any existing shortage in the state.

(n) It may establish cooperative relationships with such county and multicounty authorities as may be established and may develop priorities for the utilization of authority resources and assistance

within a region in cooperation with county and multicounty authorities.

(o) It may contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms it deems necessary or desirable, to assist in the exercise of any of the powers granted in sections 41B.01 to 41B.23 and to carry out the objectives of sections 41B.01 to 41B.23 and may pay for the services from authority funds.

(p) It may establish cooperative relationships with counties to develop priorities for the use of authority resources and assistance within counties and to consider county plans and programs in the process of setting the priorities.

(q) It may delegate any of its powers to its officers or staff.

(r) It may enter into agreements with qualified agricultural lenders or others insuring or guaranteeing to the state the payment of all or a portion of qualified agricultural loans.

(s) It may enter into agreements with eligible agricultural lenders providing for advance reservations of purchases of participation interests in restructuring loans, if the agreements provide that the authority may only purchase participation interests in restructuring loans under the normal procedure. The authority may provide in an agreement for special procedures or requirements designed to meet specific conditions or requirements.

(t) It may allow farmers who are natural persons to combine programs of the federal Agriculture Credit Act of 1987 with programs of the rural finance authority.

(u) From within available funds generated by program fees, it may provide partial or full tuition assistance for farm management programs required under section 41B.03, subdivision 3, clause (7).

Sec. 6. Minnesota Statutes 1990, section 41B.039, subdivision 2, is amended to read:

Subd. 2. [STATE PARTICIPATION.] The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of ~~35~~ 45 percent of the principal amount of the loan or $50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 7. Minnesota Statutes 1990, section 216D.01, subdivision 5, is amended to read:

Subd. 5. [EXCAVATION.] "Excavation" means an activity that moves, removes, or otherwise disturbs the soil by use of a motor, engine, hydraulic or pneumatically-powered tool, or machine-powered equipment of any kind, or by explosives. Excavation does not include:

(1) the repair or installation of agricultural drainage tile for which notice has been given as provided by section 116I.07, subdivision 2;

(2) the extraction of minerals;

(3) the opening of a grave in a cemetery;

(4) normal maintenance of roads and streets if the maintenance does not change the original grade and does not involve the road ditch;

(5) plowing, cultivating, planting, harvesting, and similar operations in connection with growing crops, unless any of these activities disturbs the soil to a depth of 18 inches or more; ~~or~~

(6) landscaping or gardening unless one of the activities disturbs the soil to a depth of 12 inches or more; or

(7) planting of windbreaks, shelterbelts, and tree plantations, unless any of these activities disturbs the soil to a depth of 18 inches or more.

Sec. 8. [MANDATORY ANAPLASMOSIS TESTING; REPORT.]

(a) The board of animal health must study the feasibility and consequences of eliminating mandatory anaplasmosis testing of breeding cattle entering Minnesota. It must consult with veterinarians, livestock producers, and others interested in anaplasmosis control.

(b) Not later than February 1, 1992, the board of animal health must report to the agriculture committees of the Minnesota senate and house of representatives on the findings of the study in paragraph (a) and recommendations for changes in statute or rule."

Delete the title and insert:

"A bill for an act relating to agriculture; allowing exemption of certain garbage from requirements for feeding to livestock or poultry; providing for certain farm loans; regulating excavations; regu-

lating livestock tests; amending Minnesota Statutes 1990, sections 35.73, subdivision 4; 41.55; 41.57, subdivision 3; 41B.036; 41B.039; and 216D.01, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 35."

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

Senate Conferees: TRACY L. BECKMAN, CHARLES R. DAVIS AND DAVID J. FREDERICKSON.

House Conferees: JIM GIRARD, ANDY STEENSMA AND BERNIE OMANN.

Girard moved that the report of the Conference Committee on S. F. No. 1300 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1300, A bill for an act relating to agriculture; allowing exemption of certain garbage from requirements for feeding to livestock or poultry; amending Minnesota Statutes 1990, section 35.73, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 35.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Johnson, A.	Munger	Rodosovich
Anderson, I.	Erhardt	Johnson, R.	Murphy	Rukavina
Anderson, R.	Farrell	Johnson, V.	Nelson, S.	Runbeck
Anderson, R. H.	Frederick	Kahn	Newinski	Sarna
Battaglia	Frerichs	Kalis	O'Connor	Schafer
Bauerly	Garcia	Kelso	Ogren	Schreiber
Beard	Girard	Kinkel	Olsen, S.	Seaberg
Begich	Goodno	Knickerbocker	Olson, E.	Segal
Bertram	Greenfield	Koppendrayer	Olson, K.	Simoneau
Bettermann	Gruenes	Krambeer	Omann	Skoglund
Bishop	Gutknecht	Krueger	Onnen	Smith
Blatz	Hanson	Lasley	Orenstein	Solberg
Bodahl	Hartle	Leppik	Orfield	Sparby
Boo	Hasskamp	Lieder	Osthoff	Stanius
Brown	Haukoos	Lourey	Ostrom	Steensma
Carlson	Hausman	Lynch	Ozment	Sviggum
Carruthers	Heir	Macklin	Pauly	Swenson
Clark	Henry	Mariani	Pellow	Thompson
Cooper	Hufnagle	Marsh	Pelowski	Tompkins
Dauner	Hugoson	McEachern	Peterson	Trimble
Davids	Jacobs	McGuire	Pugh	Tunheim
Dawkins	Janezich	McPherson	Reding	Uphus
Dempsey	Jefferson	Milbert	Rest	Valento
Dille	Jennings	Morrison	Rice	Vanasek

Vellenga	Waltman	Wejcman	Welle	Winter
Wagenius	Weaver	Welker	Wenzel	Spk. Long

The bill was repassed, as amended by Conference, and its title agreed to.

S. F. No. 764, as amended by Conference, was in possession of the House when the 1991 Session adjourned.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 764.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 764

A bill for an act relating to public safety; regulating amusement rides; requiring insurance and inspections; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 184B.

May 20, 1991

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 764, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment and that S. F. No. 764 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [184B.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. [AMUSEMENT RIDE.] "Amusement ride" means a mechanical device that carries or conveys passengers along, around, or over a fixed or restricted route or course for the purpose of giving its passengers amusement, pleasure, thrills, or excitement.

"Amusement ride" does not include:

(1) a coin-operated ride that is manually, mechanically, or electrically operated and customarily placed in a public location and that does not normally require the supervision or services of an operator; or

(2) nonmechanized playground equipment, including but not limited to swings, seesaws, stationary spring-mounted animal features, rider-propelled merry-go-rounds, climbers, playground slides, trampolines, and physical fitness devices.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of labor and industry.

Subd. 4. [OPERATOR.] "Operator" means a person, who owns an amusement ride.

Sec. 2. [184B.02] [INSURANCE REQUIREMENTS.]

An operator must have an insurance policy in force written by an insurance company authorized to do business in this state, in an amount of not less than $1,000,000 per occurrence, insuring the operator against liability for injury to persons arising out of the use of an amusement ride.

Sec. 3. [184B.03] [INSPECTION.]

(a) An amusement ride must be inspected at least once annually by an insurer or a person with whom the insurer has contracted. If an inspection reveals that an amusement ride does not meet the insurer's underwriting standards, the insurer must notify the operator. An operator must not operate an amusement ride until the ride passes an insurer's inspection for all items related to safe operation of the amusement ride.

(b) The inspection required under this section must include testing consistent with current American Society for Testing and Material standards and specifications for amusement rides and devices. The inspection required by this section is in addition to any other inspection required or permitted by law.

(c) An operator must permit reasonable inspection of an amusement ride by the insurance company that insures the ride.

(d) Paragraphs (a) and (b) do not apply to amusement rides permanently located in an amusement park where the owner has a rehabilitative and preventative ride maintenance program that includes daily ride inspections for the protection of the general public and a full-time, permanent maintenance staff and has an insurance policy in force written by an insurance company authorized to do business in this state, in an amount of not less than $50,000,000, insuring the operator against liability for injury to persons arising out of the use of an amusement ride.

Sec. 4. [184B.04] [FILING.]

An operator must file with each sponsor, lessor, landowner, or other person responsible for an amusement ride being offered for use by the public:

(1) a certificate stating that the insurance required by section 2 is in effect; and

(2) an affidavit attesting that the inspection required by section 3 has been performed.

Sec. 5. [184B.05] [COMMISSIONER INFORMATION REQUESTS.]

The commissioner may request from the sponsor, lessor, landowner, or other person responsible for an amusement ride being offered for use by the public, whether or not the person is the operator, information concerning whether the insurance required by section 2 is in effect on the amusement ride, and whether the inspection required by section 3 has occurred. The person to whom the information request is made must respond to the commissioner within 15 days after the request is made.

Sec. 6. [184B.06] [CIVIL PENALTY.]

A person that violates sections 1 to 5 is subject to a fine of up to $2,000 for each day the violation exists. A county attorney in a county in which an amusement ride is operated in violation of this chapter may enforce this section by action in district court.

Sec. 7. [184B.07] [INJUNCTIONS.]

A county attorney in a county in which an amusement ride is operated or, on request of the commissioner, the attorney general, may obtain an injunction or other equitable relief against an actual or threatened violation of this chapter.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective August 1, 1991."

Delete the title and insert:

"A bill for an act relating to public safety; regulating amusement rides; requiring insurance and inspections; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 184B."

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

Senate Conferees: GREGORY L. DAHL, RONALD R. DICKLICH AND JAMES P. METZEN.

House Conferees: TOM OSTHOFF, LINDA SCHEID AND GIL GUTKNECHT.

Osthoff moved that the report of the Conference Committee on S. F. No. 764 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 764, A bill for an act relating to public safety; regulating amusement rides; requiring insurance and inspections; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 184B.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hufnagle	Lourey	Orenstein
Anderson, I.	Dempsey	Hugoson	Lynch	Orfield
Anderson, R.	Dille	Jacobs	Macklin	Osthoff
Anderson, R. H.	Dorn	Janezich	Mariani	Ostrom
Battaglia	Erhardt	Jaros	Marsh	Ozment
Bauerly	Farrell	Jefferson	McEachern	Pauly
Beard	Frederick	Jennings	McGuire	Pellow
Begich	Frerichs	Johnson, A.	McPherson	Pelowski
Bertram	Garcia	Johnson, R.	Milbert	Peterson
Bettermann	Girard	Johnson, V.	Morrison	Pugh
Bishop	Goodno	Kahn	Munger	Reding
Blatz	Greenfield	Kalis	Murphy	Rest
Bodahl	Gruenes	Kelso	Nelson, S.	Rice
Boo	Gutknecht	Kinkel	Newinski	Rodosovich
Brown	Hanson	Knickerbocker	O'Connor	Rukavina
Carlson	Hartle	Koppendrayer	Ogren	Runbeck
Carruthers	Hasskamp	Krambeer	Olsen, S.	Sarna
Clark	Haukoos	Krueger	Olson, E.	Schafer
Cooper	Hausman	Lasley	Olson, K.	Schreiber
Dauner	Heir	Leppik	Omann	Seaberg
Davids	Henry	Lieder	Onnen	Segal

Simoneau	Steensma	Tunheim	Waltman	Winter
Skoglund	Sviggum	Uphus	Weaver	Spk. Long
Smith	Swenson	Valento	Wejcman	
Solberg	Thompson	Vanasek	Welker	
Sparby	Tompkins	Vellenga	Welle	
Stanius	Trimble	Wagenius	Wenzel	

The bill was repassed, as amended by Conference, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2124, 1900, 1997, 2399, 2637, 1784, 1991, 2162, 2286 and 2301.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1729, 1801, 2159, 1288, 1767, 2185, 2310, 878, 2117, 2231 and 2475.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2002, 2069, 2186, 2115, 2182, 2382, 2001, 2308, 2311 and 2421.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1671, 2009, 2171, 2208, 2293, 1252, 1298, 1803 and 2013.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2124, A bill for an act relating to crimes; increasing the distance an accused or convicted person may be transferred without an escort of the same sex; amending Minnesota Statutes 1990, section 631.412.

The bill was read for the first time.

Brown moved that S. F. No. 2124 and H. F. No. 2896, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1900, A bill for an act relating to health; allowing nursing homes to establish review organizations; including quality assurance under medical assistance and Medicare as an activity of a review organization; amending Minnesota Statutes 1991 Supplement, section 145.61, subdivisions 4a and 5.

The bill was read for the first time.

Cooper moved that S. F. No. 1900 and H. F. No. 2962, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1997, A bill for an act relating to insurance; providing for automobile insurance policy coverage on the repair or replacement of motor vehicle glass; amending Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

The bill was read for the first time.

Bishop moved that S. F. No. 1997 and H. F. No. 2346, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2399, A bill for an act relating to natural resources; defining "substantially equal value" for purposes of state land exchanges; authorizing the Camp 97 Creek, Gold Mine, and Crane Lake Tower impoundments in St. Louis county; amending Minnesota Statutes 1990, section 94.344, subdivision 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 2637, A bill for an act relating to motor carriers;

regulating courier services carriers; amending Minnesota Statutes 1990, section 221.011, subdivision 25.

The bill was read for the first time.

Johnson, A., moved that S. F. No. 2637 and H. F. No. 2355, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1784, A bill for an act relating to motor vehicles; adding vehicles to classic car category for vehicle registration purposes; amending Minnesota Statutes 1991 Supplement, section 168.10, subdivision 1b.

The bill was read for the first time and referred to the Committee on Transportation.

S. F. No. 1991, A bill for an act relating to education; authorizing a technical college to contract to provide services; proposing coding for new law in Minnesota Statutes, chapter 136C.

The bill was read for the first time.

Sparby moved that S. F. No. 1991 and H. F. No. 2013, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2162, A bill for an act relating to natural resources; expanding circumstances under which game and fish licenses are void for violations of law; allowing possession, transportation, purchase, or sale of certain inedible portions of wild animals; requiring a report; authorizing rules; amending Minnesota Statutes 1990, sections 97A.421, subdivision 1; and 97A.425, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

The bill was read for the first time.

Stanius moved that S. F. No. 2162 and H. F. No. 2592, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2286, A bill for an act relating to armories; providing for a public hearing before the adjutant general closes an armory; amending Minnesota Statutes 1990, section 193.36, by adding a subdivision.

The bill was read for the first time.

Olson, K., moved that S. F. No. 2286 and H. F. No. 2642, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2301, A bill for an act relating to water and soil resources; lands eligible for the reinvest in Minnesota program; amending Minnesota Statutes 1990, sections 103F.505; 103F.511, by adding a subdivision; and Minnesota Statutes 1991 Supplement, section 103F.515, subdivision 2.

The bill was read for the first time.

Munger moved that S. F. No. 2301 and H. F. No. 2543, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1729, A bill for an act relating to financial institutions; authorizing a banking institution that is a trustee to invest in certain investment companies and investment trusts; amending Minnesota Statutes 1990, sections 48.01, subdivisions 1 and 2; 48.38, subdivision 6; 48.84; and 501B.10, subdivision 6.

The bill was read for the first time.

Sparby moved that S. F. No. 1729 and H. F. No. 1884, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1801, A bill for an act relating to commerce; motor vehicle sale and distribution; regulating payments upon franchise termination, cancellation, or nonrenewal; amending Minnesota Statutes 1990, section 80E.09, subdivision 1.

The bill was read for the first time.

Farrell moved that S. F. No. 1801 and H. F. No. 2096, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2159, A bill for an act relating to horse racing; authorizing distribution from the breeders' fund for other breeds; removing limitations on fair racing days; amending Minnesota Statutes 1990, section 240.14, subdivision 3; Minnesota Statutes 1991 Supplement, sections 240.13, subdivisions 5 and 6; 240.15, subdivision 6; and 240.18, by adding a subdivision.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

S. F. No. 1288, A bill for an act relating to traffic regulations; allowing use of studded tires on emergency vehicles; amending Minnesota Statutes 1990, section 169.72, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

S. F. No. 1767, A bill for an act relating to highways; changing description of a route in the state highway system.

The bill was read for the first time.

Anderson, R., moved that S. F. No. 1767 and H. F. No. 1933, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2185, A bill for an act relating to game and fish; limiting the prohibition on the use of radio equipment to take protected wild animals to big game and small game; amending Minnesota Statutes 1990, section 97B.085, subdivision 1.

The bill was read for the first time.

Weaver moved that S. F. No. 2185 and H. F. No. 2578, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2310, A bill for an act relating to waters; changing the composition of the board of water and soil resource's dispute resolution committee; amending Minnesota Statutes 1990, section 103B.101, subdivision 10.

The bill was read for the first time.

Munger moved that S. F. No. 2310 and H. F. No. 2702, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 878, A bill for an act relating to drivers' licenses; requiring a report on driver's license rules for persons with diabetes; amending Minnesota Statutes 1990, section 171.14.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 2117, A bill for an act relating to human services; modifying requirements for earned income savings accounts for residents of residential facilities; requiring the signature of a representative of the residential facility before money may be withdrawn; amending Minnesota Statutes 1991 Supplement, section 256D.06, subdivision 1b.

The bill was read for the first time.

Clark moved that S. F. No. 2117 and H. F. No. 2967, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2231, A bill for an act relating to natural resources; requiring establishment of aquatic management areas; amending Minnesota Statutes 1990, sections 86A.05, by adding a subdivision; and 86A.09, subdivision 1.

The bill was read for the first time.

Stanius moved that S. F. No. 2231 and H. F. No. 2309, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2475, A bill for an act relating to commerce; adding a penalty for the purchase of or an attempt to purchase tobacco by a child; amending Minnesota Statutes 1990, section 609.685, subdivision 3.

The bill was read for the first time.

O'Connor moved that S. F. No. 2475 and H. F. No. 2904, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2002, A bill for an act relating to public safety; providing a procedure for determining claims under the public safety officer's death benefit program; amending Minnesota Statutes 1990, section 299A.41, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299A.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 2069, A bill for an act relating to agriculture; adding Roseau and Koochiching counties to the restricted seed potato growing area; amending Minnesota Statutes 1990, section 21.1196, subdivision 1.

The bill was read for the first time.

Tunheim moved that S. F. No. 2069 and H. F. No. 2125, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2186, A bill for an act relating to human services; providing for appointment of a member to the child abuse prevention advisory council by the commissioner of human services; amending Minnesota Statutes 1991 Supplement, section 299A.23, subdivision 2.

The bill was read for the first time.

Jefferson moved that S. F. No. 2186 and H. F. No. 2342, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2115, A bill for an act relating to state government; purchases; amending the definition of "manufactured in the United States"; amending Minnesota Statutes 1991 Supplement, section 16B.101, subdivision 1.

The bill was read for the first time.

Jaros moved that S. F. No. 2115 and H. F. No. 2312, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2182, A bill for an act relating to retirement; Duluth teachers retirement fund association; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Laws 1985, chapter 259, section 2; and Laws 1990, chapter 570, article 7, section 4.

The bill was read for the first time.

Jaros moved that S. F. No. 2182 and H. F. No. 2313, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2382, A bill for an act relating to retirement; providing for surviving spouse benefits for the Minneapolis Police Relief

Association and the Minneapolis Fire Department Relief Association; amending Laws 1949, chapter 406, section 6, subdivision 1, as amended; and Laws 1965, chapter 519, section 1, as amended.

The bill was read for the first time.

Jefferson moved that S. F. No. 2382 and H. F. No. 2565, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2001, A bill for an act relating to the environment; changing and adding provisions relating to the liability of and reimbursement to mortgagees and holders of other security interests for petroleum tank releases; expanding the eligibility of political subdivisions for reimbursement from the petroleum tank release cleanup account; amending Minnesota Statutes 1990, sections 115C.02, subdivision 8; 115C.021, by adding a subdivision; and 115C.09, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 3b.

The bill was read for the first time.

Steensma moved that S. F. No. 2001 and H. F. No. 2267, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2308, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Kandiyohi county.

The bill was read for the first time.

Welle moved that S. F. No. 2308 and H. F. No. 2593, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2311, A bill for an act relating to waters; authorizing agreements by soil and water conservation districts for enforcement of city or county controls; amending Minnesota Statutes 1990, section 103C.331, by adding a subdivision.

The bill was read for the first time.

Munger moved that S. F. No. 2311 and H. F. No. 2746, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2421, A bill for an act relating to natural resources; extending the term of certain timber permits.

The bill was read for the first time.

Anderson, I., moved that S. F. No. 2421 and H. F. No. 2483, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1671, A bill for an act relating to statutes; providing for the numbering of session law chapters; amending Minnesota Statutes 1990, section 3C.04, subdivision 5.

The bill was read for the first time.

Milbert moved that S. F. No. 1671 and H. F. No. 1823, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2009, A bill for an act relating to the city of Cloquet; permitting the city to issue bonds for a water line.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 2171, A bill for an act relating to Kandiyohi and Chippewa counties; permitting the consolidation of the offices of auditor and treasurer.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 2208, A bill for an act relating to Olmsted county; permitting certain exemptions for the conveyance of certain county property.

The bill was read for the first time.

Bishop moved that S. F. No. 2208 and H. F. No. 1976, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2293, A bill for an act relating to local government; prohibiting publication of pictures of officials in certain county and city publications; amending Minnesota Statutes 1990, section 471.68, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 1252, A bill for an act relating to state lands; authorizing the Minnesota veterans homes board to lease certain land adjacent to Minnehaha state park to the Minneapolis park and recreation board.

The bill was read for the first time.

Skoglund moved that S. F. No. 1252 and H. F. No. 1347, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1298, A bill for an act relating to cooperatives; providing for equal representation on the board from districts or units of certain cooperatives; proposing coding for new law in Minnesota Statutes, chapter 308A.

The bill was read for the first time.

Dawkins moved that S. F. No. 1298 and H. F. No. 1488, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1803, A bill for an act relating to cemeteries; providing for burials in the winter season; proposing coding for new law in Minnesota Statutes, chapter 306.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 2013, A bill for an act relating to state government; adopting the square dance as the American folk dance of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 1.

The bill was read for the first time.

Olson, K., moved that S. F. No. 2013 and H. F. No. 2251, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 2225 was reported to the House.

Welle moved that H. F. No. 2225 be continued on the Consent Calendar. The motion prevailed.

H. F. No. 2287, A bill for an act relating to retirement; local police and salaried firefighter relief associations; eliminating eligibility for amortization state aid and supplementary amortization state aid for relief associations and consolidation accounts with no unfunded actuarial accrued liability; amending Minnesota Statutes 1991 Supplement, section 423A.02.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kelso	Olsen, S.	Solberg
Anderson, I.	Frederick	Kinkel	Olson, E.	Sparby
Anderson, R.	Frerichs	Knickerbocker	Omann	Stanius
Anderson, R. H.	Garcia	Koppendrayer	Onnen	Steensma
Battaglia	Goodno	Krambeer	Orenstein	Sviggum
Bauerly	Greenfield	Krinkie	Osthoff	Swenson
Beard	Gruenes	Krueger	Ostrom	Thompson
Begich	Gutknecht	Lasley	Ozment	Tompkins
Bertram	Hanson	Leppik	Pauly	Trimble
Bettermann	Hartle	Lieder	Pelowski	Tunheim
Bishop	Hasskamp	Lourey	Peterson	Uphus
Blatz	Haukoos	Lynch	Pugh	Valento
Bodahl	Hausman	Macklin	Reding	Vanasek
Boo	Heir	Mariani	Rest	Vellenga
Brown	Henry	Marsh	Rice	Wagenius
Carlson	Hugoson	McEachern	Rodosovich	Waltman
Carruthers	Jacobs	McGuire	Rukavina	Weaver
Clark	Janezich	McPherson	Runbeck	Wejcman
Cooper	Jaros	Milbert	Sarna	Welker
Dauner	Jefferson	Morrison	Schafer	Welle
Davids	Jennings	Munger	Schreiber	Wenzel
Dawkins	Johnson, A.	Murphy	Seaberg	Winter
Dempsey	Johnson, R.	Nelson, S.	Segal	Spk. Long
Dille	Johnson, V.	Newinski	Simoneau	
Dorn	Kahn	O'Connor	Skoglund	
Erhardt	Kalis	Ogren	Smith	

The bill was passed and its title agreed to.

H. F. No. 2769, A bill for an act relating to retirement; providing for the calculation of pension increases for the Virginia police relief association.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olson, E.	Smith
Anderson, I.	Frerichs	Kinkel	Olson, K.	Solberg
Anderson, R.	Garcia	Knickerbocker	Omann	Sparby
Anderson, R. H.	Girard	Koppendrayer	Onnen	Stanius
Battaglia	Goodno	Krambeer	Orenstein	Steensma
Bauerly	Greenfield	Krinkie	Orfield	Sviggum
Beard	Gruenes	Krueger	Osthoff	Swenson
Begich	Gutknecht	Lasley	Ostrom	Thompson
Bertram	Hanson	Leppik	Ozment	Tompkins
Bettermann	Hartle	Lieder	Pauly	Trimble
Bishop	Hasskamp	Lourey	Pellow	Tunheim
Blatz	Haukoos	Lynch	Pelowski	Uphus
Bodahl	Hausman	Macklin	Peterson	Valento
Boo	Heir	Mariani	Pugh	Vanasek
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejcman
Dauner	Jaros	Morrison	Runbeck	Welker
Davids	Jefferson	Munger	Sarna	Welle
Dawkins	Jennings	Murphy	Schafer	Wenzel
Dempsey	Johnson, A.	Nelson, S.	Schreiber	Winter
Dille	Johnson, R.	Newinski	Seaberg	Spk. Long
Dorn	Johnson, V.	O'Connor	Segal	
Erhardt	Kahn	Ogren	Simoneau	
Farrell	Kalis	Olsen, S.	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 2924, A bill for an act relating to licensure board powers; amending the examination procedure for licensing optometrists; amending Minnesota Statutes 1990, section 148.57, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bodahl	Dorn	Hartle	Jennings
Anderson, I.	Boo	Erhardt	Hasskamp	Johnson, A.
Anderson, R.	Brown	Farrell	Haukoos	Johnson, R.
Anderson, R. H.	Carlson	Frederick	Hausman	Johnson, V.
Battaglia	Carruthers	Frerichs	Heir	Kahn
Bauerly	Clark	Garcia	Henry	Kalis
Beard	Cooper	Girard	Hufnagle	Kelso
Begich	Dauner	Goodno	Hugoson	Kinkel
Bertram	Davids	Greenfield	Jacobs	Knickerbocker
Bettermann	Dawkins	Gruenes	Janezich	Koppendrayer
Bishop	Dempsey	Gutknecht	Jaros	Krambeer
Blatz	Dille	Hanson	Jefferson	Krinkie

Krueger	Munger	Ozment	Schreiber	Tunheim
Lasley	Murphy	Pauly	Seaberg	Uphus
Leppik	Nelson, S.	Pellow	Segal	Valento
Lieder	Newinski	Pelowski	Simoneau	Vanasek
Lourey	O'Connor	Peterson	Skoglund	Vellenga
Lynch	Olsen, S.	Pugh	Smith	Wagenius
Macklin	Olson, E.	Reding	Solberg	Waltman
Mariani	Olson, K.	Rest	Stanius	Weaver
Marsh	Omann	Rice	Steensma	Wejcman
McEachern	Onnen	Rodosovich	Sviggum	Welker
McGuire	Orenstein	Rukavina	Swenson	Welle
McPherson	Orfield	Runbeck	Thompson	Wenzel
Milbert	Osthoff	Sarna	Tompkins	Winter
Morrison	Ostrom	Schafer	Trimble	Spk. Long

The bill was passed and its title agreed to.

S. F. No. 1633, A bill for an act relating to the city of Bloomington; providing for the membership of the port authority; amending Minnesota Statutes 1990, section 469.071, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olson, K.	Solberg
Anderson, I.	Frerichs	Knickerbocker	Omann	Sparby
Anderson, R.	Garcia	Koppendrayer	Onnen	Stanius
Anderson, R. H.	Girard	Krambeer	Orenstein	Steensma
Battaglia	Goodno	Krinkie	Orfield	Sviggum
Bauerly	Greenfield	Krueger	Osthoff	Swenson
Beard	Gruenes	Lasley	Ostrom	Thompson
Begich	Gutknecht	Leppik	Ozment	Tompkins
Bertram	Hanson	Lieder	Pauly	Trimble
Bettermann	Hartle	Lourey	Pellow	Tunheim
Bishop	Hasskamp	Lynch	Pelowski	Uphus
Blatz	Hausman	Macklin	Peterson	Valento
Bodahl	Heir	Mariani	Pugh	Vanasek
Boo	Henry	Marsh	Reding	Vellenga
Brown	Hufnagle	McEachern	Rest	Wagenius
Carlson	Hugoson	McGuire	Rice	Waltman
Carruthers	Jacobs	McPherson	Rodosovich	Weaver
Clark	Janezich	Milbert	Rukavina	Wejcman
Cooper	Jaros	Morrison	Runbeck	Welker
Dauner	Jefferson	Munger	Sarna	Welle
Davids	Jennings	Murphy	Schafer	Wenzel
Dawkins	Johnson, A.	Nelson, S.	Schreiber	Winter
Dempsey	Johnson, R.	Newinski	Seaberg	Spk. Long
Dille	Johnson, V.	O'Connor	Segal	
Dorn	Kahn	Ogren	Simoneau	
Erhardt	Kalis	Olsen, S.	Skoglund	
Farrell	Kelso	Olson, E.	Smith	

The bill was passed and its title agreed to.

There being no objection, H. F. No. 2225 which was continued earlier today on the Consent Calendar was again reported to the House.

H. F. No. 2225, A bill for an act relating to retirement; St. Paul police relief association; authorizing retirees and surviving spouses to participate in relief association board elections and other governance issues; amending Laws 1955, chapter 151, section 1, subdivision 3, as amended.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olson, E.	Smith
Anderson, I.	Frerichs	Kinkel	Olson, K.	Solberg
Anderson, R.	Garcia	Knickerbocker	Omann	Sparby
Anderson, R. H.	Girard	Koppendrayer	Onnen	Stanius
Battaglia	Goodno	Krambeer	Orenstein	Steensma
Bauerly	Greenfield	Krinkie	Orfield	Sviggum
Beard	Gruenes	Krueger	Osthoff	Swenson
Begich	Gutknecht	Lasley	Ostrom	Thompson
Bertram	Hanson	Leppik	Ozment	Tompkins
Bettermann	Hartle	Lieder	Pauly	Trimble
Bishop	Hasskamp	Lourey	Pellow	Tunheim
Blatz	Haukoos	Lynch	Pelowski	Uphus
Bodahl	Hausman	Macklin	Peterson	Valento
Boo	Heir	Mariani	Pugh	Vanasek
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejcman
Dauner	Jaros	Morrison	Runbeck	Welker
Davids	Jefferson	Munger	Sarna	Welle
Dawkins	Jennings	Murphy	Schafer	Wenzel
Dempsey	Johnson, A.	Nelson, S.	Schreiber	Winter
Dille	Johnson, R.	Newinski	Seaberg	Spk. Long
Dorn	Johnson, V.	O'Connor	Segal	
Erhardt	Kahn	Ogren	Simoneau	
Farrell	Kalis	Olsen, S.	Skoglund	

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Welle, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special

Orders to be acted upon immediately following printed Special Orders for today, Wednesday, March 25, 1992:

H. F. Nos. 2438, 2640, 1681, 2435, 2341, 2476, 2137, 2752, 1350, 2749, 419, 2709, 2756, 2014, 2060, 2280, 2415, 2505, 2508, 2842, 2579, 2612, 2647, 2750, 1873, 2108 and 2541; S. F. No. 1619; and H. F. Nos. 1980, 2733, 2181 and 2211.

SPECIAL ORDERS

H. F. No. 1875 was reported to the House.

Dille moved that H. F. No. 1875 be returned to its author. The motion prevailed.

H. F. No. 2046 was reported to the House.

Bauerly moved that H. F. No. 2046 be continued on Special Orders. The motion prevailed.

S. F. No. 2514 was reported to the House.

Brown moved to amend S. F. No. 2514, as follows:

Page 4, after line 24, insert:

"Sec. 6. [COUNTY OF SWIFT; CITY OF BENSON: REORGANIZATION OF JOINT POWERS HOSPITAL.]

Subdivision 1. [AUTHORIZATION.] Any hospital organized and operating under a joint powers agreement between the county of Swift and the city of Benson may be reorganized and operate pursuant to the provisions of sections 6 to 20, upon compliance with subdivision 2.

Subd. 2. [REORGANIZATION.] In order to effect a reorganization, the existing governing body of the hospital shall file its request for reorganization with the county board of the county of Swift and the city council of the city of Benson and the county board and city council shall then at their next regular meetings consider the establishment of a hospital district under sections 6 to 20. Upon the adoption of resolutions by each political subdivision stating that the reorganization is effective and assigning a name to the hospital district the creation of the hospital district shall be effected.

Subd. 3. [REORGANIZATION; DISSOLUTION.] After a hospital district is organized under sections 6 to 20, upon approval by the city and the county, it may reorganize and operate under and pursuant to Minnesota Statutes, sections 447.31 to 447.50; or it may be dissolved in accordance with Minnesota Statutes, section 447.38, provided that in that event the county and the city shall be deemed to be the governmental subdivisions that may petition for dissolution and upon dissolution one-third of the assets of the district shall be conveyed to the city and two-thirds shall be conveyed to the county.

Subd. 4. [POLITICAL SUBDIVISION.] For the purpose of laws applicable to political subdivisions the hospital district shall be a political subdivision but shall not have taxing authority.

Sec. 7. [HOSPITAL BOARD; APPOINTMENT; TERMS.]

Subdivision 1. [GOVERNING BOARD.] The hospital district shall be governed by a board of directors of at least nine and not more than 12 voting members, elected as provided in subdivision 2. All members of the hospital board at the time the hospital district is organized shall continue in office until the members of the first board of the hospital district are elected and qualify.

Subd. 2. [ELECTION.] Three directors shall be elected by the city council and six directors shall be elected by the county board. Up to three additional voting members and additional nonvoting members may be provided for in bylaws adopted pursuant to section 5, subdivision 5. As nearly as possible, one-third of the members of the first board of directors shall be elected for a term to expire one year from the next December 31 following that election, one-third for a term to expire two years from that date, and one-third for a term to expire three years from that date. Each of the political subdivisions electing directors shall assign terms of office to each director according to these staggered terms. Successors to the first board members shall each be elected for terms of three years, and all members shall hold office until their successors are elected and qualify. Terms of office shall expire on December 31. In case of vacancy on the board of directors, whether due to death, removal from the district, inability to serve, resignation, removal by the entity that elected the director, or other cause, the majority of the governing body of the entity that elected the director whose position is vacant shall elect a director to fill such vacancy for the then unexpired term.

Subd. 3. [COMPENSATION.] The members of the board of directors may receive compensation for their services as such and may be reimbursed for reasonable expenses necessarily incurred in the performance of their duties to the extent provided for in bylaws adopted pursuant to section 5, subdivision 5.

Subd. 4. [IMMUNITY FROM LIABILITY.] Except as otherwise

provided in this subdivision, no person who serves without compensation as a member of the board of directors shall be held civilly liable for an act or omission by that person if the act or omission was in good faith, was within the scope of the person's responsibilities as a member of the board, and did not constitute willful or reckless misconduct. This subdivision does not apply to:

(1) an action or proceeding brought by the attorney general for a breach of a fiduciary duty as a director;

(2) a cause of action to the extent it is based on federal law; or

(3) a cause of action based on the board member's express contractual obligation.

Nothing in this subdivision shall be construed to limit the liability of a member of the board for physical injury to the person of another or for wrongful death which is personally and directly caused by the board member.

For purposes of this subdivision, the term "compensation" means any thing of value received for services rendered, except:

(1) reimbursement for expenses actually incurred;

(2) a per diem in an amount not to exceed the per diem authorized for state advisory councils and committees pursuant to Minnesota Statutes, section 15.059, subdivision 3; or

(3) payment by the hospital district of insurance premiums on behalf of a member of the board.

Sec. 8. [OFFICERS OF THE BOARD.]

Subdivision 1. [OFFICES; ELECTION.] At the first meeting of the board of directors of the hospital district, and at each first regular meeting after December 31, the board shall elect, from their number, a chair, a vice-chair, a secretary, and a treasurer. Each officer elected at the first regular meeting after December 31 shall hold office for one year, and until the officer's successor has been duly elected and qualified. In case of vacancy in any office the chair shall appoint a member to fill the vacancy until the next regular election of officers.

Subd. 2. [DUTIES.] The officers shall have the duties specified in this subdivision and additional duties as set forth in bylaws adopted in accordance with section 5, subdivision 5. The chair shall preside at all meetings of the board of directors and shall perform all duties usually incumbent upon such an officer. The vice-chair shall preside in the absence of the chair. The secretary shall record the minutes of

all meetings of the board and be the custodian of all books and records of the district. The treasurer shall be the custodian of money received by the district and shall see that they are properly accounted for. The board may appoint deputies who shall perform any functions and duties of any officer, subject to the supervision and control of the officer.

Sec. 9. [MEETINGS OF THE BOARD.]

Regular meetings of the board of directors shall be held at least quarterly and more frequently as provided in bylaws of the hospital district, at the time and place as the board shall by resolution determine. The meetings may be held at any time upon the call of the chair or of any two other members, upon written notice mailed to each member three days prior to the meeting, or upon other notice as the board, by resolution or according to bylaws adopted by the board of directors, may provide, or without notice, if each member is present or files with the secretary a written consent to the holding of the meeting, which consent may be filed before or after the meeting. Any action within the authority of the board may be taken by the vote of a majority of the members present at a regular or adjourned meeting or at a duly called special meeting if a quorum is present. A majority of all the members of the board shall constitute a quorum, but a lesser number may meet and adjourn from time to time.

Sec. 10. [THE HOSPITAL DISTRICT AND ITS POWERS.]

Subdivision 1. [AUTHORITY; STATUS; PREEXISTING OBLIGATION.] The hospital district shall have perpetual succession, may contract and be contracted with, may sue and be sued, may, but shall not be required to, use a corporate seal, may acquire real and personal property as it may require, within or without the district, by purchase, gift, devise, lease, condemnation, or otherwise, and may hold, manage, control, sell, convey, or otherwise dispose of such property as its interests require. All of the assets, real and personal, of the preexisting hospital organization owned by the county and the city, doing business as Swift County-Benson Hospital, shall pass to the hospital district in fee title or by lease, and all legally valid and enforceable claims and contract obligations of the preexisting hospital organization shall be assumed by the district. All taxable property in the city of Benson and the county of Swift shall continue to be taxable for the payment of any bonded debt previously incurred by the preexisting hospital or by the city of Benson or the county of Swift on behalf of the preexisting hospital. Any properties, real, personal, or mixed, which are acquired, owned, leased, controlled, used, or occupied by the district shall be exempt from general property taxation by the state or any of its political subdivisions, but nothing in sections 6 to 20, shall prevent the levy of special assessments for public improvements benefiting the property.

Subd. 2. [BUDGET.] The board of directors shall adopt a budget for each ensuing year and shall provide the budget to the city council and the county board prior to the beginning of the year to which the budget applies. The city council and county board may consider the budget and provide their comments and recommendations to the board of directors.

Subd. 3. [POWERS.] The hospital district shall have all the powers necessary and convenient to provide for the acquisition, betterment, operation, maintenance, and administration for the hospital, including nursing home, other facilities for the residential occupancy of ambulatory elderly citizens who do not require nursing home or general hospital care and related programs, as the board of directors shall determine to be necessary and expedient. The enumeration of specific powers herein does not restrict the power of the board to take any lawful action which, in the reasonable exercise of its discretion, it deems necessary or convenient for the furtherance of the purpose for which the district exists, whether or not the power to take the action is implied from any of the powers expressly granted. These powers shall include, but not be limited to, the power to:

(1) employ management, administrative, nursing, and other personnel, legal counsel, engineers, architects, accountants, and other qualified persons, who may be paid for their services by monthly salaries, hourly wages, and pension benefits, or by fees as may be agreed on;

(2) cause reports, plans, studies, and recommendations to be prepared;

(3) when acquiring real and personal property as authorized in subdivision 1, contract for the acquisition by option, contract for deed, conditional sales contract, or otherwise;

(4) construct, equip, and furnish necessary buildings and grounds and maintain the same;

(5) adopt bylaws and rules and regulations to govern the operation and administration of any and all hospital, nursing home, and other facilities under its control, and for the admission of persons thereto;

(6) impose and collect charges for all services and facilities provided and made available by it;

(7) borrow money and issue bonds as prescribed in sections 6 to 20;

(8) procure insurance against liability of the district or its officers and employees, or both, for torts committed within the scope of their official duties, whether governmental or proprietary, or for errors

and omissions, and against damage to or destruction of any of its facilities, equipment or other property;

(9) subject to subdivision 4, sell or lease any of its facilities or equipment as may be expedient;

(10) cause annual audits to be made of its accounts, books, vouchers, and funds by competent public accountants; this provision shall be construed to be mandatory;

(11) require a corporate surety bond from officers and employees of the district, and in the amount the board shall determine, and authorize payment of the premiums therefor; or

(12) provide loans to students as provided in Minnesota Statutes, section 447.331.

Subd. 4. [APPROVAL FOR SALE OR LEASE.] Nothing contained in section 5 shall be construed to authorize the district or its board of directors to at any time sell, lease, or otherwise transfer the management, control or operation of the hospital, including nursing home or other facilities, except upon approval by a majority vote of the county board and the city council.

Subd. 5. [BYLAWS.] Bylaws shall be adopted to further govern the operation of the hospital district. Bylaws or any amendment or repeal of them, shall first be adopted by the board of directors, but shall not take effect until approved by the county board and the city council. Bylaws may address any subject matter pertinent to the organization and operation of the hospital district consistent with sections 6 to 20, and other applicable laws.

Sec. 11. [PAYMENT OF EXPENSES.]

Expenses of acquisition, betterment, administration, operation, and maintenance of the hospital district shall be paid from the revenue derived therefrom and, to the extent authorized by sections 6 to 20, from the proceeds of debt incurred for the benefit of the district, and to the extent determined from time to time by the county board or the city council, from appropriations made by the county board or the city council. Money appropriated by the board of county commissioners and the city council to acquire or improve facilities of the hospital district may be transferred in the discretion of the board of directors to a sinking fund for bonds issued for that purpose. The hospital board may agree to repay to the county and the city any sums appropriated by the county board or the city council for this purpose, out of the net revenues to be derived from operation of its facilities, and subject to the terms agreed on.

Sec. 12. [TEMPORARY BORROWING AUTHORITY.]

Subdivision 1. [CERTIFICATES OF INDEBTEDNESS.] Subject to the approval of the city and the county, the hospital district may borrow money by issuing certificates of indebtedness in anticipation of revenues and federal aids. Total indebtedness for the certificates must not exceed $50,000. The proceeds must be used for expenses of administration, operation, and maintenance of the district's hospital, nursing home, or other facilities. The approval of the city and county shall be effected by an affirmative vote of their respective governing bodies.

Subd. 2. [RESOLUTION.] The district may authorize and borrow and issue the certificates of indebtedness on passage of a resolution specifying the amount and reasons for borrowing. The resolution must be adopted by a vote of at least two-thirds of its board members, excluding board members who may not vote The board shall fix the amount, date, maturity, form, denomination, and other details of the certificates and the date and place for receipt of bids for their purchase. The board shall direct the secretary to give notice of the date and place fixed.

Subd. 3. [TERMS OF CERTIFICATES.] Certificates must become due and payable no later than two years from the date of issuance. Certificates must be negotiable and payable to the order of the payee and have a definite due date but may be payable on or before the due date. Certificates must be sold for at least par and accrued interest and must bear interest at not more than eight percent a year. Interest must be payable at maturity or earlier as the board determines. The proceeds of current county or city appropriations, revenues derived from the facilities of the district and future federal aids, and any other district funds that become available must be applied to the extent necessary to repay the certificates.

Sec. 13. [HOSPITALS, NURSING HOMES, AND OTHER FACILITIES; FINANCING AND LEASING.]

Subdivision 1. [FINANCING.] Subject to the approval of the city and the county, the hospital district may issue revenue bonds by resolution of its governing body to finance the acquisition and betterment of hospital, nursing home, and other facilities. This power is in addition to other powers granted by law and includes, but is not limited to, the payment of interest during construction and for a reasonable period after construction and the establishment of reserves for bond payment and for working capital. The approval of the city and county shall be effected by an affirmative vote of their respective governing bodies. In connection with the acquisition of any existing hospital or nursing home facilities, the city, county, or district may retire outstanding indebtedness incurred to finance the construction of the existing facilities.

Subd. 2. [PLEDGE OF REVENUE.] The hospital district may pledge and appropriate the revenues to be derived from its operation

of the facilities to pay the principal and interest on the bonds when due and to create and maintain reserves for that purpose, as a first and prior lien on the revenues or, if so provided in the bond resolution, as a lien on the revenues subordinate to the current payment of a fixed amount or percentage or all of the costs of running the facilities.

Sec. 14. [SECURITY FOR BONDS; PLEDGE OF CREDIT FOR BONDS.]

In the issuance of bonds the revenues or rentals must be pledged and appropriated by resolution for the use and benefit of bondholders generally, or may be pledged by the execution of an indenture or other appropriate instrument to a trustee for the bondholders. The site and facilities, or any part of them, may be mortgaged to the trustee. The governing body may enter into any covenants with the bondholders or trustee that it finds necessary and proper to assure the marketability of the bonds, the completion of the facilities, the segregation of the revenues or rentals and other funds pledged, and the sufficiency of funds for prompt and full payment of bonds and interest. The bonds shall be deemed to be payable wholly from the income of a revenue-producing convenience within the meaning of Minnesota Statutes, section 475.58, unless the appropriate governing body also pledges to their payment the full faith and credit of the county or city. In this event, notice of the intent to issue bonds with a pledge of the full faith and credit of the county or city specifying the maximum amount and the purpose of the bond issue shall be published and if, within ten days of the date of publication, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular election is filed with the secretary, the bonds may not be issued unless approved by a majority of the electors voting on the question at a legal election.

Sec. 15. [MISCELLANEOUS PROVISIONS.]

Bonds issued under sections 8 to 13 must be issued and sold as provided in Minnesota Statutes, chapter 475. If the bonds do not pledge the credit of the hospital district as provided in section 10, the governing body may negotiate their sale without advertisement for bids. They shall not be included in the net debt of any municipality or county, and are not subject to interest rate limitations, as defined or referred to in Minnesota Statutes, sections 475.51 and 475.55.

Sec. 16. [LEASE OF FACILITIES TO NONPROFIT OR PUBLIC CORPORATION.]

Subject to section 5, subdivision 4, the hospital district may lease hospital, nursing home, or other facilities to be run by a nonprofit or public corporation as community facilities. The facilities must be open to all residents of the community on equal terms. The district

may lease related medical facilities to any person, firm, association, or corporation, at rent and on conditions agreed. The term of the lease must not exceed 30 years. The lessee may be granted an option to renew the lease for an additional term or to purchase the facilities. The terms of renewal or purchase must be provided for in the lease. The hospital district may by resolution of its governing body agree to pay to the lessee annually, and to include in each annual budget for hospital and nursing home purposes, a fixed compensation for services agreed to be performed by the lessee in running the hospital, nursing home, or other facilities as a community facility; for any investment by the lessee of its own funds or funds granted or contributed to it in the construction or equipment of the hospital, nursing home, or other facilities; and for any auxiliary services to be provided or made available by the lessee through other facilities owned or operated by it. Services other than those provided for in the lease agreement may be compensated at rates agreed upon later. The lease agreement must, however, require the lessee to pay a net rental not less than the amount required to pay the principal and interest when due on all revenue bonds issued by the hospital district to acquire, improve, and refinance the leased facilities, and to maintain the agreed revenue bond reserve. The lease agreement must not grant the lessee an option to purchase the facilities at a price less than the amount of the bonds issued and interest accrued on them, except bonds and accrued interest paid from the net rentals before the option is exercised.

To the extent that the facilities are leased under this section for use by persons in private medical or dental or similar practice or other private business, a tax on that use must be imposed just as though the user were the owner of the space. It must be collected as provided in Minnesota Statutes, section 272.01, subdivision 2.

Sec. 17. [REFUNDING BONDS.]

The county, city, or hospital district may issue bonds by resolution of its governing body to refund bonds issued for the purposes stated in sections 6 to 20.

Sec. 18. [SWIFT COUNTY.]

The county of Swift may make appropriations in whatever amount it deems appropriate for capital acquisition, capital improvements, maintenance, and operating subsidy for a hospital district created under sections 6 to 20, and any other hospital in the county notwithstanding Minnesota Statutes, sections 376.08 and 376.09 or any other limiting statutes or laws otherwise applicable to the county. The county may also guarantee any indebtedness incurred by or on behalf of the hospital and pledge its full faith and credit in support of it.

Sec. 19. [CITY OF BENSON.]

The city of Benson may make appropriations in whatever amount it deems appropriate for the purposes of capital acquisition, capital improvements, maintenance, and operating subsidy for a hospital district created under sections 6 to 20, notwithstanding any limiting statutes or laws otherwise applicable to the city. The city may also guarantee any indebtedness incurred by or on behalf of the hospital and pledge its full faith and credit in support of it.

Sec. 20. [POWERS SUPPLEMENTARY.]

The powers granted in sections 6 to 20 are supplementary to and not in substitution for any other powers possessed by political subdivisions in connection with the acquisition, betterment, administration, operation, and maintenance of hospitals, nursing homes, and related facilities and programs or the creation of hospital districts."

Page 4, after line 28, insert:

"Sections 6 to 20 are effective upon approval by majority of the county board of the county of Swift and by a majority of the city council of the city of Benson and upon compliance with all other provisions of Minnesota Statutes, section 645.021."

Renumber the sections in sequence

Correct internal references

Delete the title and insert:

"A bill for an act relating to hospital districts; providing for board membership and elections in the Yellow Medicine county hospital district; providing for the organization, administration, and operation of a hospital district in the county of Swift and the city of Benson; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; and 4."

The motion prevailed and the amendment was adopted.

There being no objection, S. F. No. 2514, as amended, was temporarily laid over on Special Orders.

H. F. No. 2345 was reported to the House.

Carruthers moved that H. F. No. 2345 be returned to General Orders. The motion prevailed.

H. F. No. 2438, A bill for an act relating to retirement; individual retirement account plan; expanding plan coverage to include certain higher education employees; amending Minnesota Statutes 1990, sections 136.88, subdivision 1; 352C.033; 352D.02, subdivisions 1 and 1a; 352D.03; 354B.01, subdivision 2, and by adding subdivisions; 354B.015; 354B.02, subdivisions 1, 4, and by adding subdivisions; 354B.03, by adding a subdivision; 354B.04, subdivision 1; and 354B.05, subdivision 1; Minnesota Statutes 1991 Supplement, section 354B.04, subdivision 2; repealing Laws 1986, chapter 458, section 36.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olson, E.	Smith
Anderson, I.	Frerichs	Kinkel	Olson, K.	Solberg
Anderson, R.	Garcia	Knickerbocker	Omann	Sparby
Anderson, R. H.	Girard	Koppendrayer	Onnen	Stanius
Battaglia	Goodno	Krambeer	Orenstein	Steensma
Bauerly	Greenfield	Krinkie	Orfield	Sviggum
Beard	Gruenes	Krueger	Osthoff	Swenson
Begich	Gutknecht	Lasley	Ostrom	Thompson
Bertram	Hanson	Leppik	Ozment	Tompkins
Bettermann	Hartle	Lieder	Pauly	Trimble
Bishop	Hasskamp	Lourey	Pellow	Tunheim
Blatz	Haukoos	Lynch	Pelowski	Uphus
Bodahl	Hausman	Macklin	Peterson	Valento
Boo	Heir	Mariani	Pugh	Vanasek
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejcman
Dauner	Jaros	Morrison	Runbeck	Welker
Davids	Jefferson	Munger	Sarna	Welle
Dawkins	Jennings	Murphy	Schafer	Wenzel
Dempsey	Johnson, A.	Nelson, S.	Schreiber	Winter
Dille	Johnson, R.	Newinski	Seaberg	Spk. Long
Dorn	Johnson, V.	O'Connor	Segal	
Erhardt	Kahn	Ogren	Simoneau	
Farrell	Kalis	Olsen, S.	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 2640, A bill for an act relating to occupations and professions; elevators and boilers; providing that boilers used for mint oil extraction are considered to be used for agricultural or

horticultural purposes; amending Minnesota Statutes 1991 Supplement, section 183.56.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olson, E.	Solberg
Anderson, I.	Frerichs	Kinkel	Olson, K.	Sparby
Anderson, R.	Garcia	Knickerbocker	Omann	Stanius
Anderson, R. H.	Girard	Koppendrayer	Onnen	Steensma
Battaglia	Goodno	Krambeer	Orenstein	Sviggum
Bauerly	Greenfield	Krinkie	Orfield	Swenson
Beard	Gruenes	Krueger	Ostrom	Thompson
Begich	Gutknecht	Lasley	Ozment	Tompkins
Bertram	Hanson	Leppik	Pauly	Trimble
Bettermann	Hartle	Lieder	Pellow	Tunheim
Bishop	Hasskamp	Lourey	Pelowski	Uphus
Blatz	Haukoos	Lynch	Peterson	Valento
Bodahl	Hausman	Macklin	Pugh	Vanasek
Boo	Heir	Mariani	Reding	Vellenga
Brown	Henry	Marsh	Rest	Wagenius
Carlson	Hufnagle	McEachern	Rice	Waltman
Carruthers	Hugoson	McGuire	Rodosovich	Weaver
Clark	Jacobs	McPherson	Rukavina	Wejcman
Cooper	Janezich	Milbert	Runbeck	Welker
Dauner	Jaros	Morrison	Sarna	Welle
Davids	Jefferson	Munger	Schafer	Wenzel
Dawkins	Jennings	Murphy	Schreiber	Winter
Dempsey	Johnson, A.	Nelson, S.	Seaberg	Spk. Long
Dille	Johnson, R.	Newinski	Segal	
Dorn	Johnson, V.	O'Connor	Simoneau	
Erhardt	Kahn	Ogren	Skoglund	
Farrell	Kalis	Olsen, S.	Smith	

The bill was passed and its title agreed to.

There being no objection, H. F. No. 2046 which was continued earlier today on Special Orders was again reported to the House.

H. F. No. 2046, A bill for an act relating to commerce; motor vehicle lienholders; requiring notice to certain secured creditors before the vehicle is sold; amending Minnesota Statutes 1990, section 514.20.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olson, E.	Solberg
Anderson, I.	Frerichs	Kinkel	Olson, K.	Sparby
Anderson, R.	Garcia	Knickerbocker	Omann	Stanius
Anderson, R. H.	Girard	Koppendrayer	Onnen	Steensma
Battaglia	Goodno	Krambeer	Orenstein	Sviggum
Bauerly	Greenfield	Krinkie	Orfield	Swenson
Beard	Gruenes	Krueger	Osthoff	Thompson
Begich	Gutknecht	Lasley	Ostrom	Tompkins
Bertram	Hanson	Leppik	Ozment	Trimble
Bettermann	Hartle	Lieder	Pauly	Tunheim
Bishop	Hasskamp	Lourey	Pellow	Uphus
Blatz	Haukoos	Lynch	Pelowski	Valento
Bodahl	Hausman	Macklin	Peterson	Vanasek
Boo	Heir	Mariani	Pugh	Vellenga
Brown	Henry	Marsh	Reding	Wagenius
Carlson	Hufnagle	McEachern	Rice	Waltman
Carruthers	Hugoson	McGuire	Rodosovich	Weaver
Clark	Jacobs	McPherson	Rukavina	Wejcman
Cooper	Janezich	Milbert	Runbeck	Welker
Dauner	Jaros	Morrison	Sarna	Welle
Davids	Jefferson	Munger	Schafer	Wenzel
Dawkins	Jennings	Murphy	Schreiber	Winter
Dempsey	Johnson, A.	Nelson, S.	Seaberg	Spk. Long
Dille	Johnson, R.	Newinski	Segal	
Dorn	Johnson, V.	O'Connor	Simoneau	
Erhardt	Kahn	Ogren	Skoglund	
Farrell	Kalis	Olsen, S.	Smith	

The bill was passed and its title agreed to.

H. F. No. 1681 was reported to the House.

Skoglund moved to amend H. F. No. 1681, the first engrossment, as follows:

Page 15, delete section 21

Page 35, after line 35, insert:

"Sec. 50. [REQUIRED PROPERTY AND CASUALTY COVERAGES; STUDY.]

The commissioner of commerce shall conduct a study of all property and casualty insurance coverages required by state law and report to the legislature by February 1, 1993. The report shall include, but is not limited to, the following:

(1) identification of all required insurance coverages;

(2) the purpose of the requirement, for example, if it is to protect third parties, to protect government, or to protect the purchaser;

(3) the availability of the insurance from admitted insurers;

(4) the likely effect, including cost implications, of requiring that only admitted carriers may offer the coverage; and

(5) other information the commissioner considers appropriate.

The commissioner may request an extension of the date of submission of the report from the chairs of the senate commerce committee and the house financial institutions and insurance committee."

Page 87, delete sections 10 and 11

Renumber the sections in articles 1 and 4 in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Carruthers, Skoglund and Pugh moved to amend H. F. No. 1681, the first engrossment, as amended, as follows:

Page 24, before line 1, insert:

"Sec. 30. Minnesota Statutes 1990, section 61A.011, is amended by adding a subdivision to read:

Subd. 7. [ACCIDENTAL DEATH BENEFITS.] Notwithstanding any other law to the contrary, payments of accidental death benefits under an individual or group policy, whether payable in connection with a separate policy issued solely to provide that type of coverage or otherwise, are subject to this section. If the applicable rate of interest cannot be determined as provided in this section, the rate of interest for purposes of subdivision 1 is the rate provided in section 549.09, subdivision 1, paragraph (c)."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 1681, A bill for an act relating to commerce; regulating data collection, enforcement powers, premium finance agreements, temporary capital stock of mutual life companies, surplus lines insurance, conversion privileges, coverages, rehabilitations and liquidations, the comprehensive health insurance plan, and claims practices; requiring insurers to notify all covered persons of cancellations of group coverage; regulating continuation privileges and automobile premium surcharges; regulating unfair or deceptive practices; regulating insurance agent licensing and education; carrying out the intent of the legislature to make uniform the statutory service of process provisions under the jurisdiction of the department of commerce; permitting the sale of credit unemployment insurance on the same basis as other credit insurance; requiring consumer disclosures; specifying minimum loss ratios for credit insurance; making various technical changes; amending Minnesota Statutes 1990, sections 45.012; 45.027, by adding subdivisions; 45.028, subdivision 1; 47.016, subdivision 1; 48.185, subdivisions 4 and 7; 56.125, subdivision 3; 56.155, subdivision 1; 59A.08, subdivisions 1 and 4; 59A.11, subdivisions 2 and 3; 59A.12, subdivision 1; 60A.02, subdivision 7, and by adding a subdivision; 60A.03, subdivision 2; 60A.07, subdivision 10; 60A.12, subdivision 4; 60A.17, subdivision 1a; 60A.1701, subdivisions 3 and 7; 60A.19, subdivision 4; 60A.201, subdivision 4; 60A.203; 60A.206, subdivision 3; 60A.21, subdivision 2; 60B.03, by adding a subdivision; 60B.15; 60B.17, subdivision 1; 61A.011, by adding a subdivision; 62A.10, subdivision 1; 62A.146; 62A.17, subdivision 2; 62A.21, subdivisions 2a and 2b; 62A.30, subdivision 1; 62A.41, subdivision 4; 62A.54; 62B.01; 62B.02, by adding a subdivision; 62B.03; 62B.04, subdivision 2; 62B.05; 62B.06, subdivisions 1, 2, and 4; 62B.07, subdivisions 2 and 6; 62B.08, subdivisions 1, 3, and 4; 62B.09, subdivisions 1 and 2; 62B.11; 62C.142, subdivision 2a; 62C.17, subdivision 5; 62D.101, subdivision 2a; 62D.22, subdivision 8; 62E.02, subdivision 23; 62E.11, subdivision 9; 62E.14, by adding a subdivision; 62E.15, subdivision 4, and by adding subdivisions; 62E.16; 62H.01; 64B.33; 64B.35, subdivision 2; 65B.133, subdivision 4; 70A.11, subdivision 1; 71A.02, subdivision 3; 72A.07; 72A.125, subdivision 2; 72A.20, subdivision 27, and by adding a subdivision; 72A.201, subdivision 3; 72A.22, subdivision 5; 72A.37, subdivision 2; 72A.43, subdivision 2; 72B.02, by adding a subdivision; 72B.03, subdivision 2; 72B.04, subdivision 6; 80A.27, subdivisions 7 and 8; 80C.20; 82.31, subdivision 3; 82A.22, subdivisions 1 and 2; 83.39, subdivisions 1 and 2; 270B.07, subdivision 1; and 543.08; Minnesota Statutes 1991 Supplement, sections 45.027, subdivisions 1, 2, 5, 6, and 7; 52.04, subdivision 1; 60A.13, subdivision 3a; 60D.15, subdivision 4; 60D.17, subdivision 4; 62E.10, subdivision 9; 62E.12; 72A.061, subdivision 1; 72A.201, subdivision 8; and 82B.15, subdivision 3; Laws 1991, chapter 233, section 111; proposing coding for new law in Minnesota Statutes, chapters 60A; 62A; 62B; and 62I; proposing coding for new law as Minnesota Statutes, chapter 60K; repealing Minnesota Statutes 1990, sections 60A.05; 60A.051; 60A.17, subdivisions 1, 1a, 1b, 1c, 2c, 2d, 3, 5, 5b, 6, 6b, 6c, 6d, 7a, 8, 8a, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21; 65B.70; and 72A.13, subdivision 3; Minnesota Statutes 1991 Supplement, section 60A.17, subdivision 1d.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 112 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Ogren	Segal
Anderson, I.	Garcia	Knickerbocker	Olsen, S.	Simoneau
Anderson, R.	Girard	Koppendrayer	Olson, E.	Skoglund
Battaglia	Goodno	Krambeer	Olson, K.	Solberg
Bauerly	Greenfield	Krueger	Omann	Sparby
Beard	Gruenes	Lasley	Onnen	Stanius
Begich	Gutknecht	Leppik	Orenstein	Steensma
Bertram	Hanson	Lieder	Orfield	Sviggum
Bishop	Hasskamp	Lourey	Osthoff	Thompson
Blatz	Hausman	Lynch	Ostrom	Trimble
Bodahl	Henry	Macklin	Ozment	Tunheim
Boo	Hugoson	Mariani	Pauly	Uphus
Brown	Jacobs	Marsh	Pelowski	Vanasek
Carlson	Janezich	McEachern	Peterson	Vellenga
Carruthers	Jaros	McGuire	Pugh	Wagenius
Clark	Jefferson	McPherson	Reding	Weaver
Cooper	Jennings	Milbert	Rest	Wejcman
Dauner	Johnson, A.	Morrison	Rice	Welle
Dawkins	Johnson, R.	Munger	Rodosovich	Wenzel
Dempsey	Johnson, V.	Murphy	Rukavina	Winter
Dille	Kahn	Nelson, S.	Runbeck	
Dorn	Kalis	Newinski	Sarna	
Farrell	Kelso	O'Connor	Schreiber	

Those who voted in the negative were:

Anderson, R. H.	Frerichs	Hufnagle	Seaberg	Valento
Bettermann	Hartle	Krinkie	Smith	Waltman
Davids	Haukoos	Pellow	Swenson	Welker
Erhardt	Heir	Schafer	Tompkins	

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

H. F. No. 2435 was reported to the House.

Wejcman moved that H. F. No. 2435 be temporarily laid over on Special Orders. The motion prevailed.

The Speaker called Knickerbocker to the Chair.

H. F. No. 2341, A bill for an act relating to transportation; authorizing nonoperating assistance for public transit service; amending Minnesota Statutes 1990, section 174.24, subdivisions 3, 5, and by adding subdivisions; repealing Minnesota Statutes 1990, section 174.245.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olson, E.	Smith
Anderson, I.	Frerichs	Kinkel	Olson, K.	Solberg
Anderson, R.	Garcia	Knickerbocker	Omann	Sparby
Anderson, R. H.	Girard	Koppendrayer	Onnen	Stanius
Battaglia	Goodno	Krambeer	Orenstein	Steensma
Bauerly	Greenfield	Krinkie	Orfield	Sviggum
Beard	Gruenes	Krueger	Osthoff	Swenson
Begich	Gutknecht	Lasley	Ostrom	Thompson
Bertram	Hanson	Leppik	Ozment	Tompkins
Bettermann	Hartle	Lieder	Pauly	Trimble
Bishop	Hasskamp	Lourey	Pellow	Tunheim
Blatz	Haukoos	Lynch	Pelowski	Uphus
Bodahl	Hausman	Macklin	Peterson	Valento
Boo	Heir	Mariani	Pugh	Vanasek
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejcman
Dauner	Jaros	Morrison	Runbeck	Welker
Davids	Jefferson	Munger	Sarna	Welle
Dawkins	Jennings	Murphy	Schafer	Wenzel
Dempsey	Johnson, A.	Nelson, S.	Schreiber	Winter
Dille	Johnson, R.	Newinski	Seaberg	
Dorn	Johnson, V.	O'Connor	Segal	
Erhardt	Kahn	Ogren	Simoneau	
Farrell	Kalis	Olsen, S.	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 2476 was reported to the House.

Reding moved that H. F. No. 2476 be continued on Special Orders. The motion prevailed.

H. F. No. 2137, A bill for an act relating to retirement; the Minnesota state retirement system and the public employees retirement association; making various changes to administration, benefits, and investment practices; amending Minnesota Statutes 1990, sections 352.01, subdivision 2b; 352.029, subdivisions 1 and 2; 352.113, subdivisions 1, 3, 4, and 10; 352.12, subdivision 1; 352.22, subdivision 3; 352D.12; 353.01, subdivision 28; 353.27, subdivision 10; 353.29, subdivision 7; 353.33, subdivisions 1, 6, 6a, and 6b; 353.34, subdivision 2; 353.65, subdivision 1; 353.656, subdivision 5; 353.659; 353.68, subdivision 4; 353A.02, subdivision 12; 353A.04, subdivision 2; 353A.05, subdivision 3; 353A.07, subdivision 3; 353A.08, subdivision 6, and by adding a subdivision; 353A.09, subdivision 1; 353A.10, subdivision 4, and by adding a subdivision;

356.30, subdivision 1; 356.302, subdivision 6; 356.303, subdivision 3; 490.124, subdivision 11; Minnesota Statutes 1991 Supplement, sections 353.01, subdivisions 2b, 16, and 20; 353.27, subdivisions 12 and 12b; 353.31, subdivision 1; 353.32, subdivision 1a; 353.64, subdivision 5a; 353.657, subdivisions 1, 2, and 2a; 353A.03; 353A.06; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.04, subdivision 1; 353D.05, subdivisions 2 and 3; 353D.07, subdivisions 2 and 3; 353D.12, subdivision 1; Laws 1990, chapter 570, article 8, section 14, subdivision 1, as amended; Laws 1991, chapter 269, article 2, section 13; proposing coding for new law in Minnesota Statutes, chapter 353; repealing Minnesota Statutes 1990, sections 352.029, subdivision 4; 353.656, subdivision 7; and 353.71, subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 118 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Segal
Anderson, I.	Garcia	Kinkel	Olson, E.	Simoneau
Anderson, R.	Goodno	Knickerbocker	Olson, K.	Skoglund
Battaglia	Greenfield	Koppendrayer	Omann	Smith
Bauerly	Gruenes	Krambeer	Onnen	Solberg
Beard	Gutknecht	Krueger	Orenstein	Sparby
Begich	Hanson	Lasley	Orfield	Stanius
Bertram	Hartle	Leppik	Osthoff	Steensma
Bishop	Hasskamp	Lieder	Ostrom	Swenson
Blatz	Haukoos	Lourey	Ozment	Thompson
Bodahl	Hausman	Macklin	Pauly	Tompkins
Boo	Heir	Mariani	Pellow	Trimble
Brown	Henry	Marsh	Pelowski	Tunheim
Carlson	Hufnagle	McEachern	Peterson	Uphus
Carruthers	Jacobs	McGuire	Pugh	Vanasek
Clark	Janezich	McPherson	Reding	Vellenga
Cooper	Jaros	Milbert	Rest	Wagenius
Dauner	Jefferson	Morrison	Rice	Wejcman
Dawkins	Jennings	Munger	Rodosovich	Welle
Dempsey	Johnson, A.	Murphy	Rukavina	Wenzel
Dille	Johnson, R.	Nelson, S.	Runbeck	Winter
Dorn	Johnson, V.	Newinski	Sarna	Spk. Long
Erhardt	Kahn	O'Connor	Schafer	
Farrell	Kalis	Ogren	Schreiber	

Those who voted in the negative were:

Anderson, R. H.	Frerichs	Krinkie	Sviggum	Weaver
Bettermann	Girard	Lynch	Valento	Welker
Davids	Hugoson	Seaberg	Waltman	

The bill was passed and its title agreed to.

H. F. No. 2752, A bill for an act relating to commerce; trade

practices; prohibiting certain practices by recreational equipment manufacturers; proposing coding for new law in Minnesota Statutes, chapter 325E.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olson, E.	Solberg
Anderson, I.	Frerichs	Kinkel	Olson, K.	Sparby
Anderson, R.	Garcia	Knickerbocker	Omann	Stanius
Anderson, R. H.	Girard	Koppendrayer	Onnen	Steensma
Battaglia	Goodno	Krambeer	Orenstein	Sviggum
Bauerly	Greenfield	Krinkie	Orfield	Swenson
Beard	Gruenes	Krueger	Osthoff	Thompson
Begich	Gutknecht	Lasley	Ostrom	Tompkins
Bertram	Hanson	Leppik	Ozment	Trimble
Bettermann	Hartle	Lieder	Pauly	Tunheim
Bishop	Hasskamp	Lourey	Pellow	Uphus
Blatz	Haukoos	Lynch	Pelowski	Valento
Bodahl	Hausman	Macklin	Peterson	Vanasek
Boo	Heir	Mariani	Pugh	Vellenga
Brown	Henry	Marsh	Rest	Wagenius
Carlson	Hufnagle	McEachern	Rice	Waltman
Carruthers	Hugoson	McGuire	Rodosovich	Weaver
Clark	Jacobs	McPherson	Rukavina	Wejcman
Cooper	Janezich	Milbert	Runbeck	Welker
Dauner	Jaros	Morrison	Sarna	Welle
Davids	Jefferson	Munger	Schafer	Wenzel
Dawkins	Jennings	Murphy	Schreiber	Winter
Dempsey	Johnson, A.	Nelson, S.	Seaberg	Spk. Long
Dille	Johnson, R.	Newinski	Segal	
Dorn	Johnson, V.	O'Connor	Simoneau	
Erhardt	Kahn	Ogren	Skoglund	
Farrell	Kalis	Olsen, S.	Smith	

The bill was passed and its title agreed to.

H. F. No. 1350, A bill for an act relating to retirement; major and statewide retirement plans; crediting service and salary when back pay is awarded in the event of a wrongful discharge; proposing coding for new law in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 1991 Supplement, section 353.27, subdivision 5a.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olson, E.	Smith
Anderson, I.	Frerichs	Kinkel	Olson, K.	Solberg
Anderson, R.	Garcia	Knickerbocker	Omann	Sparby
Anderson, R. H.	Girard	Koppendrayer	Onnen	Stanius
Battaglia	Goodno	Krambeer	Orenstein	Steensma
Bauerly	Greenfield	Krinkie	Orfield	Sviggum
Beard	Gruenes	Krueger	Osthoff	Swenson
Begich	Gutknecht	Lasley	Ostrom	Thompson
Bertram	Hanson	Leppik	Ozment	Tompkins
Bettermann	Hartle	Lieder	Pauly	Trimble
Bishop	Hasskamp	Lourey	Pellow	Tunheim
Blatz	Haukoos	Lynch	Pelowski	Uphus
Bodahl	Hausman	Macklin	Peterson	Valento
Boo	Heir	Mariani	Pugh	Vanasek
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejcman
Dauner	Jaros	Morrison	Runbeck	Welker
Davids	Jefferson	Munger	Sarna	Welle
Dawkins	Jennings	Murphy	Schafer	Wenzel
Dempsey	Johnson, A.	Nelson, S.	Schreiber	Winter
Dille	Johnson, R.	Newinski	Seaberg	Spk. Long
Dorn	Johnson, V.	O'Connor	Segal	
Erhardt	Kahn	Ogren	Simoneau	
Farrell	Kalis	Olsen, S.	Skoglund	

The bill was passed and its title agreed to.

Welle moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Welle moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Welle moved that the bills on General Orders for today be continued. The motion prevailed.

ADJOURNMENT

Welle moved that when the House adjourns today it adjourn until 1:00 p.m., Thursday, March 26, 1992. The motion prevailed.

Welle moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Thursday, March 26, 1992.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

EIGHTY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 26, 1992

The House of Representatives convened at 1:00 p.m. and was called to order by Dee Long, Speaker of the House.

Prayer was offered by Sister Ramona Fallon, Education Director, Minnesota Catholic Conference, St. Paul, Minnesota.

The roll was called and the following members were present:

Abrams	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, I.	Girard	Koppendrayer	Omann	Sparby
Anderson, R.	Goodno	Krambeer	Onnen	Stanius
Anderson, R. H.	Greenfield	Krinkie	Orenstein	Steensma
Battaglia	Gruenes	Krueger	Orfield	Sviggum
Bauerly	Gutknecht	Lasley	Osthoff	Swenson
Beard	Hanson	Leppik	Ostrom	Thompson
Begich	Hartle	Lieder	Ozment	Tompkins
Bertram	Hasskamp	Limmer	Pauly	Trimble
Bettermann	Haukoos	Lourey	Pellow	Tunheim
Bishop	Hausman	Lynch	Pelowski	Uphus
Blatz	Heir	Macklin	Peterson	Valento
Bodahl	Henry	Mariani	Pugh	Vanasek
Boo	Hufnagle	Marsh	Reding	Vellenga
Brown	Hugoson	McEachern	Rest	Wagenius
Carlson	Jacobs	McGuire	Rice	Waltman
Clark	Janezich	McPherson	Rodosovich	Weaver
Cooper	Jaros	Milbert	Rukavina	Wejcman
Dauner	Jefferson	Morrison	Runbeck	Welker
Davids	Jennings	Munger	Sarna	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, S.	Schreiber	Winter
Dorn	Johnson, V.	Newinski	Seaberg	Spk. Long
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Ogren	Simoneau	
Frederick	Kelso	Olsen, S.	Skoglund	
Frerichs	Kinkel	Olson, E.	Smith	

A quorum was present.

Nelson, K., was excused.

Carruthers was excused until 2:20 p.m. Dempsey was excused until 4:30 p.m.

The Chief Clerk proceeded to read the Journal of the preceding

day. Mariani moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 1252 and H. F. No. 1347, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Skoglund moved that the rules be so far suspended that S. F. No. 1252 be substituted for H. F. No. 1347 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1298 and H. F. No. 1488, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dawkins moved that the rules be so far suspended that S. F. No. 1298 be substituted for H. F. No. 1488 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1671 and H. F. No. 1823, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Milbert moved that S. F. No. 1671 be substituted for H. F. No. 1823 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1729 and H. F. No. 1884, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Sparby moved that S. F. No. 1729 be substituted for H. F. No. 1884 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1767 and H. F. No. 1933, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Anderson, R., moved that S. F. No. 1767 be substituted for H. F. No. 1933 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1801 and H. F. No. 2096, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Farrell moved that the rules be so far suspended that S. F. No. 1801 be substituted for H. F. No. 2096 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1900 and H. F. No. 2962, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Cooper moved that S. F. No. 1900 be substituted for H. F. No. 2962 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1991 and H. F. No. 2013, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Sparby moved that S. F. No. 1991 be substituted for H. F. No. 2013 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1997 and H. F. No. 2346, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bishop moved that the rules be so far suspended that S. F. No. 1997 be substituted for H. F. No. 2346 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2001 and H. F. No. 2267, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Steensma moved that S. F. No. 2001 be substituted for H. F. No. 2267 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2013 and H. F. No. 2251, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Olson, K., moved that S. F. No. 2013 be substituted for H. F. No. 2251 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2069 and H. F. No. 2125, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Tunheim moved that S. F. No. 2069 be substituted for H. F. No. 2125 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2115 and H. F. No. 2312, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Jaros moved that S. F. No. 2115 be substituted for H. F. No. 2312 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2117 and H. F. No. 2967, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clark moved that the rules be so far suspended that S. F. No. 2117 be substituted for H. F. No. 2967 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2124 and H. F. No. 2896, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Brown moved that S. F. No. 2124 be substituted for H. F. No. 2896 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2162 and H. F. No. 2592, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Stanius moved that the rules be so far suspended that S. F. No. 2162 be substituted for H. F. No. 2592 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2182 and H. F. No. 2313, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Jaros moved that S. F. No. 2182 be substituted for H. F. No. 2313 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2185 and H. F. No. 2578, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Weaver moved that S. F. No. 2185 be substituted for H. F. No. 2578 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2186 and H. F. No. 2342, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jefferson moved that the rules be so far suspended that S. F. No. 2186 be substituted for H. F. No. 2342 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2208 and H. F. No. 1976, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Bishop moved that S. F. No. 2208 be substituted for H. F. No. 1976 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2231 and H. F. No. 2309, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Stanius moved that the rules be so far suspended that S. F. No. 2231 be substituted for H. F. No. 2309 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2286 and H. F. No. 2642, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Olson, K., moved that the rules be so far suspended that S. F. No. 2286 be substituted for H. F. No. 2642 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2301 and H. F. No. 2543, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Munger moved that S. F. No. 2301 be substituted for H. F. No. 2543 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2308 and H. F. No. 2593, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Welle moved that S. F. No. 2308 be substituted for H. F. No. 2593 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2310 and H. F. No. 2702, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Munger moved that S. F. No. 2310 be substituted for H. F. No. 2702 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2311 and H. F. No. 2746, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Munger moved that S. F. No. 2311 be substituted for H. F. No. 2746 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2382 and H. F. No. 2565, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Jefferson moved that S. F. No. 2382 be substituted for H. F. No. 2565 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2421 and H. F. No. 2483, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Anderson, I., moved that the rules be so far suspended that S. F. No. 2421 be substituted for H. F. No. 2483 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2475 and H. F. No. 2904, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

O'Connor moved that the rules be so far suspended that S. F. No. 2475 be substituted for H. F. No. 2904 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2637 and H. F. No. 2355, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Johnson, A., moved that the rules be so far suspended that S. F. No. 2637 be substituted for H. F. No. 2355 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Ogren from the Committee on Taxes to which was referred:

H. F. No. 779, A bill for an act relating to solid waste; regulating packaging and toxic materials in packaging and products; defining packaging; preempting local regulations relating to packaging; establishing a goal for reduction of packaging in the solid waste stream; requiring counties to ensure recycling of commonly used packaging materials; requiring registration of and payment of a fee for use of priority toxic materials in products and packaging; requiring reduction of the use of toxic materials in packaging; requiring various reports and research; authorizing rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 115A.03, by adding a subdivision; 115A.072, subdivision 2; 115A.552, by adding a subdivision; 115A.558; 325E.042, subdivision 3; and 400.08, subdivision 5; Minnesota Statutes 1991 Supplement, section 115A.02; proposing coding for new law in Minnesota Statutes, chapter 115A.

Reported the same back with the following amendments:

Page 1, delete lines 21 and 22

Page 5, line 12, delete "ADVANCE DISPOSAL FEE" and insert "PACKAGING TAX"

Page 5, line 13, delete "FEE" and insert "TAX"

Page 5, line 18, delete "an"

Page 5, line 19, delete "advance disposal fee" and insert "a packaging tax"

Page 5, line 23, delete "fee" and insert "tax"

Page 5, line 30, delete "fees" and insert "taxes"

Page 5, line 34, delete "FEE" and insert "TAX"

Page 5, line 35, delete "advance disposal fee" and insert "packaging tax"

Page 7, line 18, delete "fees" and insert "taxes"

Pages 9 to 18, delete articles 2 and 3

Amend the title as follows:

Page 1, line 6, after the semicolon insert "authorizing a packaging tax;"

Page 1, line 8, delete everything after the semicolon

Page 1, delete lines 9 to 12

Page 1, line 13, delete everything before "amending"

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 829, A bill for an act relating to agriculture; regulating noxious weeds; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1990, sections 18.171 to 18.201, 18.211 to 18.315, and 18.321 to 18.323.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [18.75] [PURPOSE.]

It is the policy of the legislature that residents of the state be protected from the injurious effects of noxious weeds on public health, the environment, public roads, crops, livestock, and other property. Sections 2 to 14 contain procedures for controlling and eradicating noxious weeds on all lands within the state.

Sec. 2. [18.76] [CITATION.]

Sections 2 to 14 may be cited as the "Minnesota noxious weed law."

Sec. 3. [18.77] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 2 to 14.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture or the authorized agents of the commissioner.

Subd. 3. [CONTROL.] "Control" means to destroy the aboveground growth of noxious weeds by a lawful method that prevents the maturation and spread of noxious weed propagating parts from one area to another.

Subd. 4. [ERADICATE.] "Eradicate" means to destroy the aboveground growth and the roots of noxious weeds by a lawful method that prevents the maturation and spread of noxious weed propagating parts from one area to another.

Subd. 5. [GROWING CROP.] "Growing crop" means an agricultural, horticultural, or forest crop that has been planted or regularly maintained and intended for harvest.

Subd. 6. [LAND.] "Land" means a parcel or tract of real estate including wetlands and public waters but not including buildings unless they are a place of business and open to the general public.

Subd. 7. [MUNICIPALITY.] "Municipality" means a home rule charter or statutory city or a township.

Subd. 8. [NOXIOUS WEED.] "Noxious weed" means an annual, biennial, or perennial plant that the commissioner designates to be injurious to public health, the environment, public roads, crops, livestock, or other property.

Subd. 9. [OCCUPANT.] "Occupant" means a person who uses land as a principal residence or who leases land or both.

Subd. 10. [PERMANENT PASTURE, HAY MEADOW, WOODLOT, AND OTHER NONCROP AREA.] "Permanent pasture, hay meadow, woodlot, and other noncrop area" means an area of predominantly native or seeded perennial plants that can be used for grazing or hay purposes but is not harvested on a regular basis and is not considered to be a growing crop.

Subd. 11. [PERSON.] "Person" means an individual, partnership, corporation, society, association, firm, public agency, or an agent for one of those entities.

Subd. 12. [PROPAGATING PARTS.] "Propagating parts" means plant parts, including seeds, that are capable of producing new plants.

Sec. 4. [18.78] [CONTROL OR ERADICATION OF NOXIOUS WEEDS.]

Subdivision 1. [GENERALLY.] Except as provided in section 11, a person owning land, a person occupying land, or a person responsible for the maintenance of public land shall control or eradicate all noxious weeds on the land at a time and in a manner ordered by the commissioner, the county agricultural inspector, or a local weed inspector.

Subd. 2. [CONTROL OF PURPLE LOOSESTRIFE.] An owner of nonfederal lands underlying public waters or wetlands designated under section 103G.201 is not required to control or eradicate purple loosestrife below the ordinary high water level of the public water or wetland. The commissioner of natural resources is responsible for control and eradication of purple loosestrife on public waters and wetlands designated under section 103G.201, except those located upon lands owned in fee title or managed by the United States. The officers, employees, agents, and contractors of the commissioner of natural resources may enter upon public waters and wetlands designated under section 103G.201 and, after providing notification to the occupant or owner of the land, may cross adjacent lands as necessary for the purpose of investigating purple loosestrife infestations, formulating methods of eradication, and implementing control and eradication of purple loosestrife. The commissioner, after consultation with the commissioner of agriculture, shall, by June 1 of each year, compile a priority list of purple loosestrife infestations to be controlled in designated public waters. The commissioner of agriculture must distribute the list to county agricultural inspectors, local weed inspectors, and their appointed agents. The commissioner of natural resources shall control listed purple loosestrife infestations in priority order within the limits of appropriations provided for that purpose. This procedure shall be the exclusive means for control of purple loosestrife on designated public waters by the commissioner of natural resources and shall supersede the other provisions for control of noxious weeds set forth elsewhere in chapter 18. The responsibility of the commissioner of natural resources to control and eradicate purple loosestrife on public waters and wetlands located on private lands and the authority to enter upon private lands ends ten days after receipt by the commissioner of a written statement from the landowner that the landowner assumes all responsibility for control and eradication of purple loosestrife under sections 4 to 14. State officers, employees, agents, and contractors of the commissioner of natural resources are not liable in a civil action for trespass committed in the discharge of their duties under this section and are not liable to anyone for damages, except for damages arising from gross negligence.

Sec. 5. [18.79] [DUTIES OF THE COMMISSIONER.]

Subdivision 1. [ENFORCEMENT.] The commissioner of agriculture shall administer and enforce sections 2 to 14.

Subd. 2. [AUTHORIZED AGENTS.] The commissioner shall authorize department of agriculture personnel and may authorize, in writing, county agricultural inspectors to act as agents in the administration and enforcement of sections 2 to 14.

Subd. 3. [ENTRY UPON LAND.] To administer and enforce sections 2 to 14, the commissioner, authorized agents of the commissioner, county agricultural inspectors, and local weed inspectors may enter upon land without consent of the owner and without being subject to an action for trespass or any damages.

Subd. 4. [RULES.] The commissioner may make necessary rules for the proper enforcement of sections 2 to 14. The commissioner may designate the plants that are noxious by commissioner's order. The commissioner's orders under this subdivision are not subject to chapter 14.

Subd. 5. [ORDER FOR CONTROL OR ERADICATION OF NOXIOUS WEEDS.] The commissioner, a county agricultural inspector, or a local weed inspector may order the control or eradication of noxious weeds on any land within the state.

Subd. 6. [EDUCATIONAL PROGRAMS FOR CONTROL OR ERADICATION OF NOXIOUS WEEDS.] The commissioner shall conduct education programs considered necessary for weed inspectors in the enforcement of the noxious weed law. The director of the Minnesota extension service may conduct educational programs for the general public that will aid compliance with the noxious weed law.

Subd. 7. [MEETINGS AND REPORTS.] The commissioner shall designate by rule the reports that are required to be made and the meetings that must be attended by weed inspectors.

Subd. 8. [PRESCRIBED FORMS.] The commissioner shall prescribe the forms to be used by weed inspectors in the enforcement of sections 2 to 14.

Subd. 9. [INJUNCTION.] If the commissioner applies to a court for a temporary or permanent injunction restraining a person from violating or continuing to violate sections 2 to 14, the injunction may be issued without requiring a bond.

Subd. 10. [PROSECUTION.] On finding that a person has violated sections 2 to 14, the commissioner may start court proceedings

in the locality in which the violation occurred. The county attorney may prosecute actions under sections 2 to 14 within his or her jurisdiction.

Subd. 11. [QUARANTINE.] The commissioner may establish a noxious weed quarantine according to section 11 and may hire additional employees and purchase the necessary equipment, supplies, or services to properly carry out the eradication of noxious weeds on quarantined land.

Sec. 6. [18.80] [INSPECTORS; EXPENSES.]

Subdivision 1. [COUNTY AGRICULTURAL INSPECTORS.] The county board shall appoint one or more county agricultural inspectors that meet the qualifications prescribed by rule. The appointment must be for a period of time which is sufficient to accomplish the duties assigned to this position. A notice of the appointment must be delivered to the commissioner within ten days of the appointment and it must establish the initial number of hours to be worked annually.

Subd. 2. [LOCAL WEED INSPECTORS.] The supervisors of each town board and the mayor of each city shall act as local weed inspectors within their respective municipalities.

Subd. 3. [ASSISTANT WEED INSPECTORS.] A municipality may appoint one or more assistants to act on behalf of the appointing authority as a weed inspector for the municipality. The appointed assistant or assistants have the power, authority, and responsibility of the town board members or the city mayor in the capacity of weed inspector.

Sec. 7. [18.81] [DUTIES OF INSPECTORS.]

Subdivision 1. [COUNTY AGRICULTURAL INSPECTORS.] It is the duty of county agricultural inspectors:

(1) to see that sections 2 to 14 and rules adopted under those sections are carried out within their jurisdiction;

(2) to see that sections 21.80 to 21.92 and rules adopted under those sections are carried out within their jurisdiction;

(3) to see that sections 21.71 to 21.78 and rules adopted under those sections are carried out within their jurisdiction;

(4) to participate in the control programs for feed, fertilizer, pesticide, and insect pests when requested, in writing, to do so by the commissioner;

(5) to participate in other agricultural programs under the control of the commissioner when requested to do so, subject to veto by the county board;

(6) to administer the distribution of funds allocated by the county board to the county agricultural inspector for noxious weed control and eradication within the county;

(7) to submit reports and attend meetings that the commissioner requires; and

(8) to publish a general weed notice of the legal duty to control noxious weeds in one or more legal newspapers of general circulation throughout the county.

Subd. 2. [LOCAL WEED INSPECTORS.] Local weed inspectors shall:

(1) examine all lands, including highways, roads, alleys, and public ground in the territory over which their jurisdiction extends to ascertain if section 4 and related rules have been complied with;

(2) see that the control or eradication of noxious weeds is carried out in accordance with section 9 and related rules;

(3) issue permits in accordance with section 8 and related rules for the transportation of materials or equipment infested with noxious weed propagating parts; and

(4) submit reports and attend meetings that the commissioner requires.

Subd. 3. [NONPERFORMANCE BY INSPECTORS; REIMBURSEMENT FOR EXPENSES.] (a) If local weed inspectors neglect or fail to do their duty as prescribed in this section, the commissioner shall issue a notice to the inspector providing instructions on how and when to do their duty. If, after the time allowed in the notice, the local weed inspector has not complied as directed, the county agricultural inspector may perform the duty for the local weed inspector. A claim for the expense of doing the local weed inspector's duty is a legal charge against the municipality in which the inspector has jurisdiction. The county agricultural inspector doing the work may file an itemized statement of costs with the clerk of the municipality in which the work was performed. The municipality shall immediately issue proper warrants to the county for the work performed. If the municipality fails to issue the warrants, the county auditor may include the amount contained in the itemized statement of costs as part of the next annual tax levy in the municipality and withhold that amount from the municipality in making its next apportionment.

(b) If a county agricultural inspector fails to perform the duties as prescribed in this section, the commissioner shall issue a notice to the inspector providing instructions on how and when to do that duty.

(c) The commissioner shall by rule establish procedures to carry out the enforcement actions for nonperformance required by this subdivision.

Sec. 8. [18.82] [TRANSPORTATION OF NOXIOUS WEED PROPAGATING PARTS IN INFESTED MATERIAL OR EQUIPMENT.]

Subdivision 1. [PERMITS.] Except as provided in section 21.74, if a person wants to transport along a public highway materials or equipment containing the propagating parts of weeds designated as noxious by the commissioner, the person must secure a written permit for transportation of the material or equipment from a local weed inspector or county agricultural inspector. Inspectors may issue permits to persons residing or operating within their jurisdiction. If the noxious weed propagating parts are removed from materials and equipment or devitalized before being transported, a permit is not needed.

Subd. 2. [CONDITIONS OF PERMIT ISSUANCE.] The following conditions must be met before a permit under subdivision 1 may be issued:

(1) any material or equipment containing noxious weed propagating parts that is about to be transported along a public highway must be in a container that is sufficiently tight and closed or otherwise covered to prevent the blowing or scattering of the material along the highway or on other lands or water; and

(2) the destination for unloading and the use of the material or equipment containing noxious weed propagating parts must be stated on the permit along with the method that will be used to destroy the viability of the propagating parts and thereby prevent their being dumped or scattered upon land or water.

Subd. 3. [DURATION OF PERMIT; REVOCATION.] A permit under subdivision 1 is valid for up to one year after the date it is issued unless otherwise specified by the weed inspector issuing the permit. The permit may be revoked if a county agricultural inspector or local weed inspector determines that the applicant has not complied with this section.

Sec. 9. [18.83] [CONTROLLING OR ERADICATING NOXIOUS WEEDS; NOTICES; EXPENSES.]

Subdivision 1. [GENERAL WEED NOTICE.] A general notice for

noxious weed control or eradication must be published on or before May 15 of each year and at other times the commissioner directs. Failure of the county agricultural weed inspector to publish the general notice does not relieve a person from the necessity of full compliance with sections 2 to 14 and related rules. The published notice is legal and sufficient notice when an individual notice cannot be served.

Subd. 2. [INDIVIDUAL NOTICE.] A weed inspector may find it necessary to secure more prompt or definite control or eradication of noxious weeds than is accomplished by the published general notice. In these special or individual instances, involving one or a limited number of persons, the weed inspector having jurisdiction shall serve individual notices in writing upon the person who owns the land and the person who occupies the land, or the person responsible for or charged with the maintenance of public land, giving specific instructions on when and how named noxious weeds are to be controlled or eradicated. Individual notices provided for in this section must be served in the same manner as a summons in a civil action in the district court or by certified mail. Service on a person living temporarily or permanently outside of the weed inspector's jurisdiction may be made by sending the notice by certified mail to the last known address of the person, to be ascertained, if necessary, from the last tax list in the county treasurer's office.

Subd. 3. [APPEAL OF INDIVIDUAL NOTICE; APPEAL COMMITTEE.] (1) A recipient of an individual notice may appeal, in writing, the order for control or eradication of noxious weeds. This appeal must be filed with a member of the appeal committee in the county where the land is located within two working days of the time the notice is received. The committee must inspect the land specified in the notice and report back to the recipient and the inspector who issued the notice within five working days, either agreeing, disagreeing, or revising the order. The decision may be appealed in district court. If the committee agrees or revises the order, the control or eradication specified in the order, as approved or revised by the committee, may be carried out.

(2) The county board of commissioners shall appoint members of the appeal committee. The membership must include a county commissioner or municipal official and a landowner residing in the county. The expenses of the members may be reimbursed by the county upon submission of an itemized statement to the county auditor.

Subd. 4. [CONTROL OR ERADICATION BY INSPECTOR.] If a person does not comply with an individual notice served on the person or an individual notice cannot be served, the weed inspector having jurisdiction shall have the noxious weeds controlled or eradicated within the time and in the manner the weed inspector designates.

Subd. 5. [CONTROL OR ERADICATION BY INSPECTOR IN GROWING CROP.] A weed inspector may consider it necessary to control or eradicate noxious weeds along with all or a part of a growing crop to prevent the maturation and spread of noxious weeds within the inspector's jurisdiction. If this situation exists, the weed inspector may have the noxious weeds controlled or eradicated together with the crop after the appeal committee has reviewed the matter as outlined in subdivision 3 and reported back agreement with the order.

Subd. 6. [AUTHORIZATION FOR PERSON HIRED TO ENTER UPON LAND.] The weed inspector may hire a person to control or eradicate noxious weeds if the person who owns the land, the person who occupies the land, or the person responsible for the maintenance of public land has failed to comply with an individual notice or with the published general notice when an individual notice cannot be served. The person hired must have authorization, in writing, from the weed inspector to enter upon the land.

Subd. 7. [EXPENSES; REIMBURSEMENTS.] A claim for the expense of controlling or eradicating noxious weeds, which may include the costs of serving notices, is a legal charge against the county in which the land is located. The officers having the work done must file with the county auditor a verified and itemized statement of cost for all services rendered on each separate tract or lot of land. The county auditor shall immediately issue proper warrants to the persons named on the statement as having rendered services. To reimburse the county for its expenditure in this regard, the county auditor shall certify the total amount due and, unless an appeal is made in accordance with section 10, enter it on the tax roll as a tax upon the land and it must be collected as other real estate taxes are collected.

If public land is involved, the amount due must be paid from funds provided for maintenance of the land or from the general revenue or operating fund of the agency responsible for the land. Each claim for control or eradication of noxious weeds on public lands must first be approved by the commissioner of agriculture.

Sec. 10. [18.84] [LIABILITY; APPEALS.]

Subdivision 1. [COUNTIES AND MUNICIPALITIES.] Counties and municipalities are not liable for damages from the noxious weed control program for actions conducted in accordance with sections 2 to 14.

Subd. 2. [APPEAL TO COUNTY BOARD.] A person who is ordered to control noxious weeds under sections 2 to 14 and is charged for noxious weed control may appeal the cost of noxious weed control to the county board of the county where the noxious weed control measures were undertaken within 30 days after being

charged. The county board shall determine the amount and approve the charge and filing of a lien against the property if it determines that the owner, or occupant if other than the owner, responsible for controlling noxious weeds did not comply with the order of the inspector.

Subd. 3. [COURT APPEAL OF COSTS; PETITION.] (a) A landowner who has appealed the cost of noxious weed control measures under subdivision 2 may petition for judicial review. The petition must be filed within 30 days after the conclusion of the hearing before the county board. The petition must be filed with the court administrator in the county in which the land where the noxious weed control measures were undertaken is located, together with proof of service of a copy of the petition on the commissioner and the county auditor. No responsive pleadings may be required of the commissioner or the county, and no court fees may be charged for the appearance of the commissioner or the county in this matter.

(b) The petition must be captioned in the name of the person making the petition as petitioner and the commissioner of agriculture and respective county as respondents. The petition must include the petitioner's name, the legal description of the land involved, a copy of the notice to control noxious weeds, and the date or dates on which appealed control measures were undertaken.

(c) The petition must state with specificity the grounds upon which the petitioner seeks to avoid the imposition of a lien for the cost of noxious weed control measures.

Subd. 4. [HEARING.] (a) A hearing under subdivisions 3 to 5 must be held at the earliest practicable date, and in no event later than 90 days following the filing of the petition of objection. The hearing must be before a district judge in the county in which the land where the noxious weed control measures were undertaken is located, and must be conducted in accordance with the district court rules of civil procedure.

(b) The court shall either order that a lien representing part or all of the costs for noxious weed control measures be imposed against the land or that the landowner be relieved of responsibility for payment of noxious weed control measures undertaken.

Subd. 5. [FURTHER APPEAL.] A party aggrieved by the decision of the reviewing court may appeal the decision as provided in the rules of appellate procedure.

Sec. 11. [18.85] [NOXIOUS WEED QUARANTINE.]

Subdivision 1. [NEED FOR QUARANTINE.] If there is an infestation of noxious weeds beyond the ability of the person who owns or

occupies the land to eradicate it, the commissioner may, upon request of the person who owns the land or on the commissioner's own initiative, take necessary steps to prevent the further spread of the weed. To this end, the commissioner may quarantine a tract of land that is infested and put into operation the necessary means for the eradication of the weed; provided that the county and municipality in which the land is located must approve of the quarantine before it can be initiated.

Subd. 2. [NOTICE OF QUARANTINE.] The commissioner, upon entering a tract of land for the purpose of this section, shall notify in writing the persons who own or occupy the land of the entry and quarantine. If the necessary means of eradication have been completed, the commissioner shall notify, in writing, the persons who own or occupy the land that the quarantine effort is complete.

Subd. 3. [EXPENSES.] The expenses for eradication of noxious weeds on quarantined land must be paid by the commissioner from the funds provided for this purpose.

Counties, municipalities, and owners or occupants must reimburse the commissioner before January 1 of each year. The county shall pay 20 percent of the expenses, the municipality shall pay ten percent, and the owner or occupant shall pay ten percent.

Sec. 12. [18.86] [UNLAWFUL ACTS.]

No person may:

(1) hinder or obstruct in any way the commissioner, the commissioner's authorized agents, county agricultural inspectors, or local weed inspectors in the performance of their duties as provided in sections 2 to 14 or related rules;

(2) neglect, fail, or refuse to comply with section 8 or related rules in the transportation and use of material or equipment infested with noxious weed propagating parts;

(3) sell material containing noxious weed propagating parts to a person who does not have a permit to transport that material or to a person who does not have a screenings permit issued in accordance with section 21.74; or

(4) neglect, fail, or refuse to comply with a general notice or an individual notice to control or eradicate noxious weeds.

Sec. 13. [18.87] [PENALTY.]

A violation of section 12 or a rule adopted under that section is a misdemeanor. County agricultural inspectors, local weed inspectors,

or their appointed assistants are not subject to the penalties of this section for failure, neglect, or refusal to perform duties imposed on them by sections 2 to 14.

Sec. 14. [18.88] [NOXIOUS WEED PROGRAM FUNDING.]

Subdivision 1. [COUNTY.] The county board shall pay, from the general revenue or other fund for the county, the expenses for the county agricultural inspector position, for noxious weed control or eradication on all land owned by the county or on land that the county is responsible for the maintenance of, for the expenses of the appeal committee, and for necessary expenses as required for quarantines within the county.

Subd. 2. [MUNICIPALITY.] The municipality shall pay, from the general revenue or other fund for the municipality, the necessary expenses of the local weed inspector in the performance of duties required for quarantines within the municipality, and for noxious weed control or eradication on land owned by the municipality or on land for which the municipality is responsible for its maintenance.

Sec. 15. [REPEALER.]

Minnesota Statutes 1990, sections 18.171; 18.181; 18.182; 18.189; 18.192; 18.201; 18.211; 18.221; 18.231; 18.241; 18.251; 18.261; 18.271; 18.272; 18.281; 18.291; 18.301; 18.311; 18.312; 18.315; 18.321; 18.322; and 18.323; and Minnesota Statutes 1991 Supplement, section 18.191, are repealed.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective January 1, 1993."

Delete the title and insert:

"A bill for an act relating to agriculture; regulating noxious weeds; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1990, sections 18.171 to 18.189; 18.192; 18.201; 18.211 to 18.315; and 18.321 to 18.323; Minnesota Statutes 1991 Supplement, section 18.191."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 1441, A bill for an act relating to the practice of law; allowing the sole shareholder of a corporation to appear on behalf of the corporation in court; amending Minnesota Statutes 1990, section 481.02, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

(4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

(5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills

or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal;

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to 566.33 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section

566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause; or

(14) the delivery of legal services by a specialized legal assistant in accordance with a specialty license issued by the supreme court before July 1, 1995; or

(15) the sole shareholder of a corporation from appearing on behalf of the corporation in court."

Amend the title as follows:

Page 1, line 5, delete "1990" and insert "1991 Supplement"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 1849, A bill for an act relating to crime; increasing penalties for certain sex offenders; providing for life imprisonment for certain repeat sex offenders; increasing supervision of sex offenders following release from prison; eliminating the "good time" reduction in a prison sentence unless a sex offender satisfactorily completes a treatment program in prison; prohibiting the release of a prison inmate on a weekend or holiday; requiring review of sex offenders for psychopathic personality commitment before prison release; amending Minnesota Statutes 1990, sections 241.67, subdivision 3; 244.04, subdivision 1; 244.05, subdivisions 1, 3, 4, 5, and by adding a subdivision; 609.1352, subdivision 5, and by adding a subdivision; 609.342, subdivision 2; 609.343, subdivision 2; 609.346, subdivisions 2, 2a, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 244.05, subdivision 6; and 244.12, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

SEX OFFENDERS

Section 1. Minnesota Statutes 1990, section 241.67, subdivision 3, is amended to read:

Subd. 3. [PROGRAMS FOR ADULT OFFENDERS COMMITTED TO THE COMMISSIONER.] (a) The commissioner shall provide for a range of sex offender ~~treatment~~ programs, including intensive sex offender ~~treatment~~ programs, within the state adult correctional facility system. Participation in any ~~treatment~~ program is ~~voluntary and~~ is subject to the rules and regulations of the department of corrections. Nothing in this section requires the commissioner to accept or retain an offender in a ~~treatment~~ program if the offender is determined by prison professionals as unamenable to programming within the prison system or if the offender refuses or fails to comply with the program's requirements. Nothing in this section creates a right of an offender to treatment.

(b) The commissioner shall provide for residential and outpatient sex offender ~~treatment~~ programming and aftercare when required for conditional release under section 609.1352 or as a condition of supervised release.

Sec. 2. Minnesota Statutes 1990, section 241.67, is amended by adding a subdivision to read:

Subd. 4a. [FUNDING PRIORITY; PROGRAM EFFECTIVENESS.] (a) Unless otherwise directed by the terms of a particular appropriations provision, the commissioner shall give priority to the funding of juvenile sex offender programs over the funding of adult sex offender programs.

(b) Every county or private sex offender program that seeks new or continued state funding or reimbursement shall provide the commissioner with any information relating to the program's effectiveness that the commissioner considers necessary. The commissioner shall deny state funding or reimbursement to any county or private program that fails to provide this information or that appears to be an ineffective program.

Sec. 3. Minnesota Statutes 1990, section 241.67, subdivision 6, is amended to read:

Subd. 6. [SPECIALIZED CORRECTIONS AGENTS AND PROBATION OFFICERS; SEX OFFENDER SUPERVISION.] ~~By January 1, 1990,~~ The commissioner of corrections shall develop in-service training for state and local corrections agents and probation officers who supervise adult and juvenile sex offenders on probation or supervised release. The commissioner shall make the training

available to all current and future corrections agents and probation officers who supervise or will supervise sex offenders on probation or supervised release.

~~After January 1, 1991,~~ A state or local corrections agent or probation officer may not supervise adult or juvenile sex offenders on probation or supervised release unless the agent or officer has completed the in-service sex offender supervision training. The commissioner may waive this requirement if the corrections agent or probation officer has completed equivalent training as part of a post-secondary educational curriculum.

~~After January 1, 1991,~~ When an adult sex offender is placed on supervised release or is sentenced to probationary supervision, and when a juvenile offender is found delinquent by the juvenile court for a sex offense and placed on probation or is paroled from a juvenile correctional facility, a corrections agent or probation officer may not be assigned to the offender unless the agent or officer has completed the in-service sex offender supervision training.

Sec. 4. Minnesota Statutes 1990, section 242.195, subdivision 1, is amended to read:

Subdivision 1. [~~TREATMENT~~ SEX OFFENDER PROGRAMS.] The commissioner of corrections shall provide for a range of sex offender ~~treatment~~ programs, including intensive sex offender ~~treatment~~ programs, for juveniles within state juvenile correctional facilities and through purchase of service from county and private residential and outpatient juvenile sex offender ~~treatment~~ programs. The commissioner shall establish and operate a juvenile sex offender program at one of the state juvenile correctional facilities.

Sec. 5. Minnesota Statutes 1991 Supplement, section 243.166, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION REQUIRED.] A person shall comply with this section after being released from prison if:

(1) the person was sentenced to imprisonment following a conviction for kidnapping under section 609.25, criminal sexual conduct under section 609.342, 609.343, 609.344, or 609.345, solicitation of children to engage in sexual conduct under section 609.352, use of minors in a sexual performance under section 617.246, or solicitation of children to practice prostitution under section 609.322~~, and the offense was committed against a victim who was a minor~~;

(2) the person is not now required to register under section 243.165; and

(3) ten years have not yet elapsed since the person was released from imprisonment.

Sec. 6. Minnesota Statutes 1991 Supplement, section 243.166, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] When a person who is required to register under this section is released, the commissioner of corrections shall tell the person of the duty to register under section 243.165 and this section. The commissioner shall require the person to read and sign a form stating that the duty of the person to register under this section has been explained. The commissioner shall obtain the address where the person ~~expects to~~ will reside upon release and shall report within three days the address to the bureau of criminal apprehension. The commissioner shall give one copy of the form to the person, and shall send one copy to the bureau of criminal apprehension and one copy to the appropriate law enforcement agency having local jurisdiction where the person expects to reside upon release.

Sec. 7. Minnesota Statutes 1991 Supplement, section 243.166, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION PROCEDURE.] (a) The person shall, ~~within 14 days after~~ before the end of the term of supervised release, register with the probation officer assigned to the person at the end of that term.

(b) If the person changes residence address, the person shall give the new address to the last assigned probation officer in writing within ten days. The probation officer shall, within three days after receipt of this information, forward it to the bureau of criminal apprehension.

Sec. 8. Minnesota Statutes 1990, section 244.05, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS FOR VIOLATION.] If an inmate violates the conditions of the inmate's supervised release imposed by the commissioner, the commissioner may:

(1) continue the inmate's supervised release term, with or without modifying or enlarging the conditions imposed on the inmate; or

(2) revoke the inmate's supervised release and reimprison the inmate for the appropriate period of time.

The period of time for which a supervised release may be revoked may not exceed the period of time remaining in the inmate's sentence, except that ~~for~~ if a sex offender is sentenced and condi-

tionally released under section 609.1352, subdivision 5, the period of time for which conditional release may be revoked may not exceed the balance of the ~~original sentence imposed less good time earned under section 244.04, subdivision 1~~ conditional release term.

Sec. 9. Minnesota Statutes 1990, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence under section 609.184 must not be given supervised release under this section. An inmate serving a mandatory life sentence ~~for conviction of murder in the first degree~~ under section 609.185, clause (1), (3), (4), (5), or (6), or 609.346, subdivision 2a, must not be given supervised release under this section without having served a minimum term of 30 years. An inmate serving a mandatory life sentence under section 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

Sec. 10. Minnesota Statutes 1990, section 244.05, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, clause (1), (3), (4), (5), or (6), 609.346, subdivision 2a, or 609.385 after the inmate has served the minimum term of imprisonment specified in subdivision 4.

Sec. 11. Minnesota Statutes 1991 Supplement, section 244.05, subdivision 6, is amended to read:

Subd. 6. [INTENSIVE SUPERVISED RELEASE.] The commissioner may order that an inmate be placed on intensive supervised release for all or part of the inmate's supervised release or parole term if the commissioner determines that the action will further the goals described in section 244.14, subdivision 1, clauses (2), (3), and (4). In addition, the commissioner may order that an inmate be placed on intensive supervised release for all of the inmate's conditional or supervised release term if the inmate was convicted of a sex offense under sections 609.342 to 609.345 or was sentenced under the provisions of section 609.1352. The commissioner may impose appropriate conditions of release on the inmate including but not limited to unannounced searches of the inmate's person, vehicle, or premises by an intensive supervision agent; compliance with court-ordered restitution, if any; random drug testing; house arrest; daily curfews; frequent face-to-face contacts with an assigned intensive supervision agent; work, education, or treatment requirements; and electronic surveillance. In addition, any sex offender placed on intensive supervised release may be ordered to participate in an

appropriate sex offender treatment program as a condition of release. If the inmate violates the conditions of the intensive supervised release, the commissioner shall impose sanctions as provided in subdivision 3 and section 609.1352.

Sec. 12. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 7. [SEX OFFENDERS; CIVIL COMMITMENT DETERMINATION.] Before the commissioner releases from prison any inmate convicted of a sex offense under sections 609.342 to 609.345 or sentenced as a patterned sex offender, as defined in section 609.1352, the commissioner shall make a preliminary determination whether, in the commissioner's opinion, a petition under section 526.10 may be appropriate. If the commissioner determines that a petition may be appropriate, the commissioner shall forward this determination, along with supporting documentation, to the county attorney in the county where the inmate was convicted. Upon receiving the commissioner's preliminary determination, the county attorney shall proceed in the manner provided in section 526.10.

Sec. 13. Minnesota Statutes 1991 Supplement, section 244.12, subdivision 3, is amended to read:

Subd. 3. [OFFENDERS NOT ELIGIBLE.] The following are not eligible to be placed on intensive community supervision, under subdivision 2, clause (2):

(1) offenders who were committed to the commissioner's custody under a statutory mandatory minimum sentence;

(2) offenders who were committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct ~~in the first or second degree~~, or criminal vehicular homicide or operation resulting in death; and

(3) offenders whose presence in the community would present a danger to public safety.

Sec. 14. Minnesota Statutes 1990, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions

prescribed by the court including reasonable rules for the child's conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) a child placing agency; or

(2) the county welfare board; or

(3) a reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245A.01 to 245A.16; or

(4) a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to $700; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any

time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

If the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342, 609.343, 609.344, ~~or~~ 609.345, 609.3451, 609.746, subdivision 1, 609.79, or 617.23, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If the assessment indicates that the child is in need of and amenable to sex offender treatment, the court shall include in its disposition order a requirement that the child undergo treatment.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) why the best interests of the child are served by the disposition ordered; and

(b) what alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

Sec. 15. Minnesota Statutes 1990, section 609.115, subdivision 1a, is amended to read:

Subd. 1a. [CONTENTS OF WORKSHEET.] The supreme court shall promulgate rules uniformly applicable to all district courts for the form and contents of sentencing worksheets. ~~These rules shall be promulgated by and effective on January 2, 1982.~~ The sentencing worksheet shall include a section requiring the sentencing court to indicate whether, in the court's opinion, a petition under section 526.10 may be appropriate, as provided in section 609.1351.

Sec. 16. Minnesota Statutes 1991 Supplement, section 609.135, subdivision 2, is amended to read:

Subd. 2. (a) If the conviction is for a felony the stay shall be for not more than three years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor the stay shall be for not more than two years.

(c) If the conviction is for any misdemeanor under section 169.121,

609.746, subdivision 1, 609.79, or 617.23, or for a misdemeanor under section 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(d) If the conviction is for a misdemeanor not specified in paragraph (c), the stay shall be for not more than one year.

(e) The defendant shall be discharged when the stay expires, unless the stay has been revoked or extended under paragraph (f), or the defendant has already been discharged.

(f) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (e), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Sec. 17. Minnesota Statutes 1990, section 609.135, is amended by adding a subdivision to read:

Subd. 5a. [SEX OFFENDERS; REQUIRED TREATMENT.] If a person is convicted of violating section 609.342, 609.343, 609.344, or 609.345, and is ordered to attend a treatment program as a condition of probation, the court shall require the treatment program director to report monthly to the person's assigned probation officer concerning the person's progress toward successful completion of the treatment program. If six months after the date of sentencing it appears from the treatment program's reports that the person has made no significant progress in treatment, the probation officer shall ask the court to hold a hearing to determine whether the conditions of probation should be revoked.

Sec. 18. Minnesota Statutes 1990, section 609.1352, subdivision 5, is amended to read:

Subd. 5. [CONDITIONAL RELEASE.] At the time of sentencing under subdivision 1, the court ~~may~~ shall provide that after the offender has completed ~~one-half of~~ the ~~full pronounced~~ sentence imposed, ~~without regard to~~ less any good time earned by the offender, the commissioner of corrections ~~may~~ shall place the offender on conditional release for the remainder of the statutory maximum period or for ten years, whichever is longer; ~~if the commissioner finds that:~~

~~(1) the offender is amenable to treatment and has made sufficient progress in a sex offender treatment program available in prison to be released to a sex offender treatment program operated by the department of human services or a community sex offender treatment and reentry program; and~~

~~(2) the offender has been accepted in a program approved by the commissioner that provides treatment, aftercare, and phased reentry into the community.~~

The conditions of release ~~must~~ may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. Before the offender is released, the commissioner shall notify the sentencing court, the prosecutor in the jurisdiction where the offender was sentenced and the victim of the offender's crime, where available, of the terms of the offender's conditional release. ~~Release may be revoked and the stayed sentence executed in its entirety less good time~~ If the offender fails to meet any condition of release, the commissioner may revoke the offender's conditional release and require the offender to serve the remaining portion of the conditional release term in prison. The commissioner shall not dismiss the offender from supervision before the ~~sentence~~ conditional release term expires.

Conditional release granted under this subdivision is governed by provisions relating to supervised release, except as otherwise provided in this subdivision, section 244.04, subdivision 1, or 244.05.

Sec. 19. Minnesota Statutes 1990, section 609.184, subdivision 2, is amended to read:

Subd. 2. [LIFE WITHOUT RELEASE.] The court shall sentence a person to life imprisonment without possibility of release ~~when~~ under the following circumstances:

(1) the person is convicted of first degree murder under section 609.185, clause (2);

(2) the person is convicted of first degree murder under section

609.185, clause (1), (3), (4), (5), or (6), and the court determines on the record at the time of sentencing that the person dismembered the victim's body before the victim's death; or

(3) the person is convicted of first degree murder under section 609.185, clause (1), (3), (4), (5), or (6), and the court determines on the record at the time of sentencing that the person has one or more previous convictions for a heinous crime.

Sec. 20. Minnesota Statutes 1990, section 609.342, is amended to read:

609.342 [CRIMINAL SEXUAL CONDUCT IN THE FIRST DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the first degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish sexual penetration; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) an accomplice uses force or coercion to cause the complainant to submit; or

(ii) an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

~~(iii) circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

~~(iv)~~ the complainant suffered personal injury; or

~~(v)~~ (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Subd. 2. [PENALTY.] Except as otherwise provided in section 609.346, subdivision 2a or 2b, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than ~~25~~ 30 years or to a payment of a fine of not more than $40,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (g), and the person is the complainant's parent, stepparent, or

sibling, the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; ~~and~~

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 21. Minnesota Statutes 1990, section 609.343, is amended to read:

609.343 [CRIMINAL SEXUAL CONDUCT IN THE SECOND DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the second degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the dangerous weapon to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish the sexual contact; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) an accomplice uses force or coercion to cause the complainant to submit; or

(ii) an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

~~(iii) circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

~~(iv)~~ the complainant suffered personal injury; or

~~(v)~~ (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Subd. 2. [PENALTY.] Except as otherwise provided in section 609.346, subdivision 2a or 2b, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than ~~20~~ 25 years or to a payment of a fine of not more than $35,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (g), and the person is the complainant's parent, stepparent, or sibling, the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; ~~and~~

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 22. Minnesota Statutes 1990, section 609.344, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any

such case it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor believes the complainant to be 16 years of age or older. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, the actor may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense;

(c) the actor uses force or coercion to accomplish the penetration;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

~~(iii) circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

~~(iv)~~ the complainant suffered personal injury; or

~~(v)~~ (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred during

the psychotherapy session. Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a patient or former patient of the psychotherapist and the patient or former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense; or

(k) the actor accomplishes the sexual penetration by means of false representation that the penetration is for a bona fide medical purpose by a health care professional. Consent by the complainant is not a defense.

Sec. 23. Minnesota Statutes 1990, section 609.344, subdivision 3, is amended to read:

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (f), and the person is the complainant's parent, stepparent, or sibling, the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; ~~and~~

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 24. Minnesota Statutes 1990, section 609.345, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual contact with another person is guilty of criminal sexual

conduct in the fourth degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a position of authority over the complainant and uses this authority to cause the complainant to submit. In any such case, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor believes the complainant to be 16 years of age or older;

(c) the actor uses force or coercion to accomplish the sexual contact;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

~~(iii) circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

~~(iv)~~ the complainant suffered personal injury; or

~~(v)~~ (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual contact occurred during the psychotherapy session. Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a patient or former patient of the psychotherapist and the patient or former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual contact occurred by means of therapeutic deception. Consent by the complainant is not a defense; or

(k) the actor accomplishes the sexual contact by means of false representation that the contact is for a bona fide medical purpose by a health care professional. Consent by the complainant is not a defense.

Sec. 25. Minnesota Statutes 1990, section 609.345, subdivision 3, is amended to read:

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (f), and the person is the complainant's parent, stepparent, or sibling, the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; ~~and~~

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 26. Minnesota Statutes 1990, section 609.346, subdivision 2, is amended to read:

Subd. 2. [SUBSEQUENT SEX OFFENSE; PENALTY.] Except as provided in subdivision 2a or 2b, if a person is convicted under sections 609.342 to 609.345, within 15 years of a previous sex offense conviction, the court shall commit the defendant to the commissioner of corrections for imprisonment for a term of not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12 and 609.135. The court may stay the execution of the sentence imposed under this subdivision only if it finds that: (1) the offender had been placed on probation for the previous sex offense, but had not been ordered to participate in a sex offender treatment program as a condition of that probation; and (2) a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation: (1) incarceration in a local jail or workhouse; and (2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

Sec. 27. Minnesota Statutes 1990, section 609.346, subdivision 2a, is amended to read:

Subd. 2a. [~~MAXIMUM~~ MANDATORY LIFE SENTENCE ~~IMPOSED~~.] (a) The court shall sentence a person to ~~a term of~~ imprisonment ~~of 37 years~~ for life, notwithstanding the statutory maximum sentences under sections 609.342 and 609.343 if:

(1) the person is convicted under section 609.342 ~~or 609.343;~~ and the court determines on the record at the time of sentencing that the person has a previous sex offense conviction under section 609.342 for an offense committed on or after August 1, 1989; or

(2) the person is convicted under section 609.342 or 609.343 and the court determines on the record at the time of sentencing that either:

(i) the person has previously been sentenced under section 609.1352; or

(ii) the person has two previous sex offense convictions under

section 609.342, 609.343, or 609.344, at least one of which is for an offense committed on or after August 1, 1989.

(b) Notwithstanding sections 609.342, subdivision 3; and 609.343, subdivision 3; and subdivision 2, the court may not stay imposition of the sentence required by this subdivision.

Sec. 28. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 2b. [MANDATORY 30-YEAR SENTENCE.] (a) Except as otherwise provided in subdivision 2a, the court shall sentence a person to a term of 30 years, notwithstanding the statutory maximum sentence under section 609.343, if:

(1) the person is convicted under section 609.342, subdivision 1, clause (c), (d), (e), (f), or (h); or section 609.343, subdivision 1, clause (c), (d), (e), (f), or (h); and

(2) the court determines on the record at the time of sentencing that:

(i) the crime involved an aggravating factor that would provide grounds for an upward departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions; and

(ii) the person has a previous sex offense conviction under section 609.342, 609.343, or 609.344.

(b) Notwithstanding sections 609.342, subdivision 3; and 609.343, subdivision 3; and subdivision 2, the court may not stay imposition of the sentence required by this subdivision.

Sec. 29. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 4. [SUPERVISED RELEASE OF SEX OFFENDERS.] (a) Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, and except as otherwise provided in section 609.1352 or subdivision 2a, any person who is sentenced to prison for a violation of section 609.342, 609.343, 609.344, or 609.345 must be sentenced to serve a supervised release term of not less than five years.

(b) The commissioner of corrections shall set the level of supervision for offenders subject to this section based on the public risk presented by the offender.

Sec. 30. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 5. [SEX OFFENDER ASSESSMENT.] When a person is convicted of a violation of section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.746, subdivision 1, 609.79, or 617.23, the court shall order an independent professional assessment of the offender's need for sex offender treatment. An assessor providing an assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If the assessment indicates that the offender is in need of and amenable to sex offender treatment, the court shall include in the sentence a requirement that the offender undergo treatment.

Sec. 31. Minnesota Statutes 1990, section 609.3471, is amended to read:

609.3471 [RECORDS PERTAINING TO VICTIM IDENTITY CONFIDENTIAL.]

Notwithstanding any provision of law to the contrary, no data contained in records or reports relating to petitions, complaints, or indictments issued pursuant to section 609.342, ~~clause (a), (b), (g), or (h); 609.343, clause (a), (b), (g), or (h)~~; 609.344, ~~clause (a), (b), (e), (f), or (g)~~; or 609.345, ~~clause (a), (b), (e), (f), or (g)~~ which specifically identifies ~~the~~ a victim who is a minor shall be accessible to the public, except by order of the court. Nothing in this section authorizes denial of access to any other data contained in the records or reports, including the identity of the defendant.

Sec. 32. [INSTITUTE OF PEDIATRIC SEXUAL HEALTH.]

Subdivision 1. [PLANNING.] The commissioner of health, in cooperation with the director of strategic and long-range planning, shall, by September 1, 1992, convene an interdisciplinary committee to plan for an institute of sexual health to serve youth and children. Members of the committee shall be appointed by the governor and shall include expert professionals from the fields of medicine, psychiatry, psychology, education, sociology, and other relevant disciplines. The committee shall also include representatives of community agencies that work in the areas of health, religion, and corrections.

Subd. 2. [PURPOSE.] The purpose of the institute is the diagnosis and treatment of, and research and education relating to, the etiology and prevention of sexual dysfunctions and the medical, psychological, and relational conditions that affect the sexual health of the child, the adolescent, and the family, including those of a violent nature. The institute will focus on the early detection of potentially sexually violent behavior and disorders of sexual func-

tioning. The institute will provide clinical, programmatic, and staff training support for the residential treatment program and will coordinate educational programs. The institute will be a resource for medical, mental health, and juvenile justice programs in the state.

Subd. 3. [CLINICAL STAFF.] The institute will provide clinical staff including professionals in genetics, reproductive biology, molecular biology, endocrinology, brain science, ethology, psychology, sociology, and cultural anthropology.

Subd. 4. [TREATMENT PROGRAMS.] The institute will be designed to offer a wide variety of diagnostic and treatment services, as determined by the planning committee.

Subd. 5. [ANCILLARY SERVICES.] The institute will include a research center that will provide facilities, a library, and educational services supporting and encouraging research on all aspects of pediatric and youth sexology including those factors contributing to sexually violent behavior. The institute will fund visiting scholars and establish and maintain international collaborative working relationships with other related professional institutes and organizations and sponsor an annual symposium on pediatric, youth, and family sexology.

Subd. 6. [REPORT.] By February 1, 1993, the commissioner of health shall submit to the legislature a plan for establishment of an institute to promote the sexual health of youth and children. The plan shall include recommendations for siting and funding the institute.

Sec. 33. [EFFECTIVE DATE.]

Sections 5 to 7 are effective August 1, 1992, and apply to persons released from prison on or after that date. Sections 8 to 10 and 16 to 31 are effective August 1, 1992, and apply to crimes committed on or after that date. Section 14 is effective August 1, 1992, and applies to juveniles adjudicated delinquent on or after that date. The court shall consider convictions occurring before August 1, 1992, as previous convictions in sentencing offenders under sections 27 and 28.

ARTICLE 2

SENTENCING

Section 1. Minnesota Statutes 1990, section 244.01, subdivision 8, is amended to read:

Subd. 8. "Term of imprisonment," as applied to inmates sentenced before December 31, 1993, is the period of time to which an inmate

is committed to the custody of the commissioner of corrections minus earned good time. "Term of imprisonment," as applied to inmates sentenced on or after December 31, 1993, is the period of time which an inmate is ordered to serve in prison by the sentencing court, plus any disciplinary confinement period imposed by the commissioner under section 244.05, subdivision 1a.

Sec. 2. Minnesota Statutes 1990, section 244.03, is amended to read:

244.03 [~~VOLUNTARY~~ REHABILITATIVE PROGRAMS.]

The commissioner shall provide appropriate mental health programs and vocational and educational programs with employment-related goals for inmates who desire to voluntarily participate in such programs and for inmates who are required to participate in the programs under the disciplinary offense rules adopted by the commissioner under section 244.05, subdivision 1a. The selection, design and implementation of programs under this section shall be the sole responsibility of the commissioner, acting within the limitations imposed by the funds appropriated for such programs.

No action challenging the level of expenditures for programs authorized under this section, nor any action challenging the selection, design or implementation of these programs, may be maintained by an inmate in any court in this state.

Sec. 3. Minnesota Statutes 1990, section 244.04, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION OF SENTENCE.] Notwithstanding the provisions of section 609.11, subdivision 6, and section 609.346, subdivision 1, the term of imprisonment of any inmate sentenced to a presumptive fixed sentence after May 1, 1980, and before December 31, 1993, shall be reduced in duration by one day for each two days during which the inmate violates none of the disciplinary offense rules promulgated by the commissioner. The reduction shall accrue to the period of supervised release to be served by the inmate, except that the period of supervised release for a sex offender sentenced and conditionally released by the commissioner under section 609.1352, subdivision 5, is governed by that provision.

Except as otherwise provided in subdivision 2, if an inmate violates a disciplinary offense rule promulgated by the commissioner, good time earned prior to the violation may not be taken away, but the inmate may be required to serve an appropriate portion of the term of imprisonment after the violation without earning good time.

Sec. 4. Minnesota Statutes 1990, section 244.04, subdivision 3, is amended to read:

Subd. 3. The provisions of this section do not apply to an inmate serving a mandatory life sentence or to persons sentenced on or after December 31, 1993.

Sec. 5. Minnesota Statutes 1990, section 244.05, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISED RELEASE REQUIRED.] Except as provided in subdivisions 1a, 4, and 5, every inmate shall serve a supervised release term upon completion of the inmate's term of imprisonment as reduced by any good time earned by the inmate or extended by confinement in punitive segregation pursuant to section 244.04, subdivision 2. Except for a sex offender conditionally released under section 609.1352, subdivision 5, the supervised release term shall be equal to the period of good time the inmate has earned, and shall not exceed the length of time remaining in the inmate's sentence.

Sec. 6. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1a. [SUPERVISED RELEASE; OFFENDERS SENTENCED ON OR AFTER JANUARY 1, 1993.] (a) Except as provided in subdivisions 4 and 5, every inmate sentenced to prison for a felony offense on or after December 31, 1993, shall serve a supervised release term upon completion of the term of imprisonment pronounced by the sentencing court under section 7 and any disciplinary confinement period imposed by the commissioner due to the inmate's violation of any disciplinary offense rule adopted by the commissioner under paragraph (b). The supervised release term shall be equal in length to the amount of time remaining in the inmate's imposed sentence after the inmate has served the pronounced term of imprisonment and any disciplinary confinement period imposed by the commissioner.

(b) By December 31, 1993, the commissioner shall modify the commissioner's existing disciplinary rules to specify disciplinary offenses which may result in imposition of a disciplinary confinement period and the length of the disciplinary confinement period for each disciplinary offense. These disciplinary offense rules may cover violation of institution rules, refusal to work, refusal to participate in treatment or other rehabilitative programs, and other matters determined by the commissioner. No inmate who violates a disciplinary rule shall be placed on supervised release until the inmate has served the disciplinary confinement period or until the inmate is discharged or released from punitive segregation confinement, whichever is later. The imposition of a disciplinary confinement period shall be considered to be a disciplinary sanction

imposed upon an inmate, and the procedure for imposing the disciplinary confinement period and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Sec. 7. [244.101] [SENTENCING OF FELONY OFFENDERS ON AND AFTER DECEMBER 31, 1993.]

Subdivision 1. [SENTENCING AUTHORITY.] When a felony offender is sentenced to a fixed executed prison sentence on or after December 31, 1993, the sentence pronounced by the court shall consist of two parts: (1) a specified minimum term of imprisonment; and (2) a specified maximum supervised release term. The lengths of the term of imprisonment and the supervised release term actually served by an inmate are subject to the provisions of section 244.05, subdivision 1a.

Subd. 2. [EXPLANATION OF SENTENCE.] When a court pronounces sentence under this section, it shall specify the amount of time the defendant will serve in prison and the amount of time the defendant will serve on supervised release, assuming the defendant commits no disciplinary offense in prison that may result in the imposition of a disciplinary confinement period. The court shall also explain that the defendant's term of imprisonment may be extended by the commissioner if the defendant commits any disciplinary offenses in prison and that this extension could result in the defendant's serving the entire pronounced sentence in prison. The court's explanation shall be included in the sentencing order.

Subd. 3. [NO RIGHT TO SUPERVISED RELEASE.] Notwithstanding the court's specification of the potential length of a defendant's supervised release term in the sentencing order, the court's order creates no right of a defendant to any specific, minimum length of a supervised release term.

Subd. 4. [APPLICATION OF STATUTORY MANDATORY MINIMUM SENTENCES.] If the defendant is convicted of any offense for which a statute imposes a mandatory minimum sentence or term of imprisonment, the statutory mandatory minimum sentence or term governs the length of the entire sentence pronounced by the court under this section.

Sec. 8. [609.146] [COMPUTATION OF JAIL CREDIT.]

An offender is entitled to a reduction in the offender's term of imprisonment for time spent in custody in a correctional facility before the date of sentencing only when the time was spent in custody in connection with the offense or behavioral incident for which the offender is currently being sentenced.

Sec. 9. [609.151] [CONSECUTIVE SENTENCES FOR CRIMES COMMITTED AT STATE CORRECTIONAL FACILITIES.]

Subdivision 1. [CONSECUTIVE SENTENCE.] Notwithstanding the sentencing guidelines or any provision of law, when an inmate of a state correctional facility commits a felony at the facility and is convicted for that felony, the court shall impose a sentence to run consecutively to the sentence for which the inmate was confined when the felony was committed.

Subd. 2. [PRESUMPTIVE SENTENCE.] Based upon the defendant's criminal history score at the time of the commission of the offense, the court shall impose the presumptive sentence established by the appropriate grid of the sentencing guidelines grid.

Subd. 3. [WAIVER.] The court may, in whole or part, waive the sentencing requirements of subdivisions 1 and 2 upon certification of the prosecuting authority that the defendant has provided substantial and material assistance in the detection or prosecution of crime.

Sec. 10. Minnesota Statutes 1990, section 609.152, subdivision 2, is amended to read:

Subd. 2. [INCREASED SENTENCES; DANGEROUS OFFENDERS.] Whenever a person is convicted of a violent crime, and the judge is imposing an executed sentence based on a sentencing guidelines presumptive imprisonment sentence, the judge may impose an aggravated durational departure from the presumptive imprisonment sentence up to the statutory maximum sentence if the offender was at least 18 years old at the time the felony was committed, and:

(1) the court determines on the record at the time of sentencing that the offender has two or more prior convictions for violent crimes; and

(2) the court finds that the offender is a danger to public safety and specifies on the record the basis for the finding, which may include:

(i) the offender's past criminal behavior, such as the offender's high frequency rate of criminal activity or juvenile adjudications, or long involvement in criminal activity including juvenile adjudications; or

(ii) the fact that the present offense of conviction involved an aggravating factor that would justify a durational departure under the sentencing guidelines.

Sec. 11. Minnesota Statutes 1990, section 609.152, subdivision 3, is amended to read:

Subd. 3. [INCREASED SENTENCES; CAREER OFFENDERS.] Whenever a person is convicted of a felony, and the judge is imposing an executed sentence based on a sentencing guidelines presumptive imprisonment sentence, the judge may impose an aggravated durational departure from the presumptive sentence up to the statutory maximum sentence if the judge finds and specifies on the record that the offender has more than four prior felony convictions ~~and that the present offense is a felony that was committed as part of a pattern of criminal conduct from which a substantial portion of the offender's income was derived~~.

Sec. 12. [SENTENCING GUIDELINES MODIFICATIONS.]

The sentencing guidelines commission shall modify sentencing guideline II.F to provide a presumption in favor of consecutive sentences for any person convicted of multiple crimes against a person in separate behavioral incidents and to require judges to provide written reasons under sentencing guideline II.D for any mitigated departure from this presumption.

Sec. 13. [TASK FORCE ON NEW FELONY SENTENCING SYSTEM.]

Subdivision 1. [MEMBERSHIP.] A task force is established to study the implementation of the new felony sentencing system provided in this article. The task force consists of the following members or their designees:

(1) the chair of the sentencing guidelines commission;

(2) the commissioner of corrections;

(3) the state court administrator;

(4) the chair of the house judiciary committee; and

(5) the chair of the senate judiciary committee.

The task force shall select a chair from among its membership.

Subd. 2. [DUTIES.] The task force shall study the new felony sentencing system provisions contained in this article. Based on this study, the task force shall:

(1) determine whether the current sentencing guidelines and sentencing guidelines grid need to be changed in order to implement the new sentencing provisions; and

(2) determine whether any legislative changes to the provisions are needed to permit their effective implementation.

Subd. 3. [REPORT.] The task force shall report the results of its study to the legislature by February 15, 1993. The report shall include the task force's recommendations, if any, for changing the law or the sentencing guidelines in order to effectively implement the new felony sentencing system.

Sec. 14. [SENTENCING GUIDELINES COMMISSION; STUDY.]

The sentencing guidelines commission shall study the following issues and report its findings and conclusions to the chairs of the house and senate judiciary committees by February 1, 1993:

(1) whether the crime of first degree criminal sexual conduct should be ranked, in whole or in part, in severity level IX of the sentencing guidelines grid; and

(2) whether the current presumptive sentence for the crime of second degree intentional murder is adequately proportional to the mandatory life imprisonment penalty provided for first degree murder.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 7 are effective for persons sentenced on or after December 31, 1993. Sections 8 to 12 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 3

STATE AND LOCAL CORRECTIONS

Section 1. Minnesota Statutes 1990, section 243.53, is amended to read:

243.53 [SEPARATE CELLS.]

When there are cells sufficient, each convict shall be confined in a separate cell. On and after July 1, 1992, every new and existing medium security correctional facility that is built or remodeled for the purpose of increasing its inmate capacity, must be designed and built to comply with multiple-occupancy standards for not more than one-half of the facility's capacity and must include a maximum capacity figure. Every new and existing minimum security facility that is built or remodeled for the purpose of increasing its inmate capacity, must be designed and built to comply with minimum security multiple-occupancy standards. All inmates in current and future close, maximum and high security facilities, including the Minnesota correctional facilities at St. Cloud, Stillwater, and Oak Park Heights, shall be confined in separate cells except for inmates confined in geriatric or honor dormitory-type facilities.

Sec. 2. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1b. [RELEASE ON CERTAIN DAYS.] Notwithstanding the amount of good time earned by an inmate sentenced before August 1, 1992, if the inmate's scheduled release date occurs on a Friday, Saturday, Sunday, or holiday, the inmate's supervised release term shall begin on the last day before the inmate's scheduled release date that is not a Friday, Saturday, Sunday, or holiday. For inmates sentenced on or after August 1, 1992, if the inmate's scheduled release date occurs on a Friday, Saturday, Sunday, or holiday, the inmate's supervised release term shall begin on the first day after the inmate's scheduled release date that is not a Friday, Saturday, Sunday, or holiday.

Sec. 3. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1c. [RELEASE TO RESIDENTIAL PROGRAM; ESCORT REQUIRED.] The commissioner shall provide an escort for any inmate on parole or supervised release status who is released to a halfway house or other residential community program. The escort shall be an employee of the commissioner or a person acting as the commissioner's agent for this purpose.

Sec. 4. [244.17] [LOCAL CORRECTIONAL FEES; IMPOSITION ON OFFENDERS.]

Subdivision 1. [DEFINITION.] As used in this section, "local correctional fees" include fees for the following correctional services:

(1) community service work placement and supervision;

(2) restitution collection;

(3) supervision;

(4) court ordered investigations; or

(5) any other court ordered service to be provided by a local probation and parole agency established under section 260.311 or community corrections agency established under chapter 401.

Subd. 2. [LOCAL CORRECTIONAL FEES.] A local correctional agency may establish a schedule of local correctional fees to charge persons convicted of a crime and under the supervision and control of the local correctional agency to defray costs associated with correctional services. The local correctional fees on the schedule must be reasonably related to defendants' abilities to pay and the actual cost of correctional services.

Subd. 3. [FEE COLLECTION.] The chief executive officer of a local correctional agency may collect local correctional fees assessed under section 8. The local correctional agency may collect the fee at any time while the offender is under sentence or after the sentence has been discharged. The agency may use any available civil means of debt collection in collecting a local correctional fee.

Subd. 4. [EXEMPTION FROM FEE.] The local correctional agency shall waive payment of a local correctional fee if so ordered by the court under section 8. If the court fails to waive the fee, the chief executive officer of the local correctional agency may waive payment of the fee if the officer determines that the offender does not have the ability to pay the fee, the prospects for payment are poor, or there are extenuating circumstances justifying waiver of the fee. Instead of waiving the fee, the local correctional agency may require the offender to perform community work service as a means of paying the fee.

Subd. 5. [RESTITUTION PAYMENT PRIORITY.] If a defendant has been ordered by a court to pay restitution and a local correctional fee, the defendant shall be obligated to pay the restitution ordered before paying the local correctional fee.

Subd. 6. [USE OF FEES.] The local correctional fees shall be used by the local correctional agency to pay the costs of local correctional services. Local correctional fees may not be used to supplant existing local funding for local correctional services.

Sec. 5. Minnesota Statutes 1990, section 260.311, is amended by adding a subdivision to read:

Subd. 3a. [DETAINING PERSON ON CONDITIONAL RELEASE.] (a) County probation officers serving a district or juvenile court may, without a warrant when it appears necessary to prevent escape or enforce discipline, take and detain a probationer or any person on conditional release and bring that person before the court or the commissioner of corrections, whichever is appropriate, for disposition. No probationer or other person on conditional release shall be detained under this subdivision more than 72 hours, excluding Saturdays, Sundays and holidays, without being given an opportunity for a hearing before the court or the commissioner of corrections or a designee.

(b) The written order of the chief executive officer or designee of a community corrections agency established under this section is sufficient authority for any peace officer or county probation officer to take and place in actual custody any person under sentence or on probation who:

(1) fails to report to serve a sentence at a local correctional facility, as defined in section 241.021, subdivision 1;

(2) fails to return from furlough or authorized temporary release from a local correctional facility;

(3) escape from a local correctional facility; or

(4) absconds from court-ordered home detention.

Sec. 6. Minnesota Statutes 1990, section 401.02, subdivision 4, is amended to read:

Subd. 4. [DETAINING PERSON ON CONDITIONAL RELEASE.] (a) Probation officers serving the district, ~~county, municipal~~ and juvenile courts of counties participating in the subsidy program established by this chapter may, without order or warrant, when it appears necessary to prevent escape or enforce discipline, take and detain a probationer, or any person on conditional release and bring that person before the court or the commissioner of corrections or a designee, whichever is appropriate, for disposition. No probationer or other person on conditional release shall be detained more than 72 hours, exclusive of legal holidays, Saturdays and Sundays, pursuant to this subdivision without being provided with the opportunity for a hearing before the court or the commissioner of corrections or a designee. When providing supervision and other correctional services to persons conditionally released pursuant to sections 241.26, 242.19, 243.05, 243.16, 244.05, and 244.065, including intercounty transfer of persons on conditional release, and the conduct of presentence investigations, participating counties shall comply with the policies and procedures relating thereto as prescribed by the commissioner of corrections.

(b) The written order of the chief executive officer or designee of a community corrections agency established under this chapter is sufficient authority for any peace officer or county probation officer to take and place in actual custody any person under sentence or on probation who:

(1) fails to report to serve a sentence at a local correctional facility, as defined in section 241.021, subdivision 1;

(2) fails to return from furlough or authorized temporary release from a local correctional facility;

(3) escapes from a local correctional facility; or

(4) absconds from court-ordered home detention.

Sec. 7. Minnesota Statutes 1990, section 609.10, is amended to read:

609.10 [SENTENCES AVAILABLE.]

Upon conviction of a felony and compliance with the other provisions of this chapter the court, if it imposes sentence, may sentence the defendant to the extent authorized by law as follows:

(1) to life imprisonment; or

(2) to imprisonment for a fixed term of years set by the court; or

(3) to both imprisonment for a fixed term of years and payment of a fine; or

(4) to payment of a fine without imprisonment or to imprisonment for a fixed term of years if the fine is not paid; or

(5) to payment of court-ordered restitution in addition to either imprisonment or payment of a fine, or both; or

(6) to payment of a local correctional fee as authorized under section 8.

Sec. 8. [609.102] [PROBATION SERVICE FEES; IMPOSITION BY COURT.]

Subdivision 1. [DEFINITION.] As used in this section, "local correctional fee" means a fee for local correctional services established by a local correctional agency under section 4.

Subd. 2. [IMPOSITION OF FEE.] When a court sentences a person convicted of a crime, and places the person under the supervision and control of a local correctional agency, the court shall impose a local correctional fee based on the local correctional agency's fee schedule adopted under section 4.

Subd. 3. [FEE EXEMPTION.] The court may waive payment of a local correctional fee if it makes findings on the record that the convicted person is exempt due to any of the factors named under section 4, subdivision 4. The court shall consider prospects for payment during the term of supervision by the local correctional agency.

Subd. 4. [RESTITUTION PAYMENT PRIORITY.] If the court orders the defendant to pay restitution and a local correctional fee, the court shall order that the restitution be paid before the local correctional fee.

Sec. 9. Minnesota Statutes 1990, section 609.125, is amended to read:

609.125 [SENTENCE FOR MISDEMEANOR OR GROSS MISDEMEANOR.]

Upon conviction of a misdemeanor or gross misdemeanor the court, if sentence is imposed, may, to the extent authorized by law, sentence the defendant:

(1) to imprisonment for a definite term; or

(2) to payment of a fine, or to imprisonment for a specified term if the fine is not paid; or

(3) to both imprisonment for a definite term and payment of a fine; or

(4) to payment of court-ordered restitution in addition to either imprisonment or payment of a fine, or both; or

(5) to payment of a local correctional fee as authorized under section 8.

Sec. 10. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1992. Sections 2, 3, 5, and 6 are effective the day following final enactment. Sections 4 and 7 to 9 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 4

OTHER PENALTY PROVISIONS

Section 1. Minnesota Statutes 1990, section 609.101, is amended by adding a subdivision to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] (a) Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court may not waive payment of the minimum fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent

or that the fine would create undue hardship for the convicted person or that person's immediate family.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

(b) The court shall collect the portion of the fine mandated by this subdivision and forward .. percent of it to the commissioner of finance to be credited to the general fund. The remainder of the minimum fine and any fine amount imposed in excess of the minimum fine shall be collected and distributed as otherwise provided by law.

Sec. 2. Minnesota Statutes 1990, section 609.2231, is amended by adding a subdivision to read:

Subd. 6. [PUBLIC EMPLOYEES WITH MANDATED DUTIES.] A person is guilty of a gross misdemeanor who:

(1) assaults an agricultural inspector, child protection worker, public health nurse, or probation or parole officer while the employee is engaged in the performance of a duty mandated by law, court order, or ordinance;

(2) knows that the victim is a public employee engaged in the performance of the official public duties of the office; and

(3) inflicts demonstrable bodily harm.

Sec. 3. Minnesota Statutes 1990, section 609.322, is amended to read:

609.322 [SOLICITATION, INDUCEMENT AND PROMOTION OF PROSTITUTION.]

Subdivision 1. Whoever, while acting other than as a prostitute or patron, intentionally does either of the following may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than $40,000, or both:

(1) solicits or induces an individual under the age of ~~13~~ 16 years to practice prostitution; or

(2) promotes the prostitution of an individual under the age of ~~13~~ 16 years.

Subd. 1a. Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to

imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both:

(1) Solicits or induces an individual at least ~~13~~ 16 but less than ~~16~~ 18 years of age to practice prostitution; or

(2) Solicits or induces an individual to practice prostitution by means of force; or

(3) Uses a position of authority to solicit or induce an individual to practice prostitution; or

(4) Promotes the prostitution of an individual in the following circumstances:

(a) The individual is at least ~~13~~ 16 but less than ~~16~~ 18 years of age; or

(b) The actor knows that the individual has been induced or solicited to practice prostitution by means of force; or

(c) The actor knows that a position of authority has been used to induce or solicit the individual to practice prostitution.

Subd. 2. Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both:

(1) ~~Solicits or induces an individual at least 16 but less than 18 years of age to practice prostitution; or~~

~~(2)~~ Solicits or induces an individual to practice prostitution by means of trick, fraud, or deceit; or

~~(3)~~ (2) Being in a position of authority, consents to an individual being taken or detained for the purposes of prostitution; or

~~(4)~~ (3) Promotes the prostitution of an individual in the following circumstances:

(a) ~~The individual is at least 16 but less than 18 years of age; or~~

~~(b)~~ The actor knows that the individual has been induced or solicited to practice prostitution by means of trick, fraud or deceit; or

~~(c)~~ (b) The actor knows that an individual in a position of authority has consented to the individual being taken or detained for the purpose of prostitution.

Subd. 3. Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $5,000, or both:

(1) Solicits or induces an individual 18 years of age or above to practice prostitution; or

(2) Promotes the prostitution of an individual 18 years of age or older.

Sec. 4. Minnesota Statutes 1990, section 609.323, is amended to read:

609.323 [RECEIVING PROFIT DERIVED FROM PROSTITUTION.]

Subdivision 1. Whoever, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual under the age of ~~13~~ 16 years, may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $30,000, or both.

Subd. 1a. Whoever, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual in circumstances described in section 609.322, subdivision 1a, clause (4), may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both.

Subd. 2. Whoever, not related by blood, adoption, or marriage to the prostitute, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual in circumstances described in section 609.322, subdivision 2, clause ~~(4)~~ (3) may be sentenced to not more than three years imprisonment or to payment of a fine of not more than $5,000, or both.

Subd. 3. Whoever, not related by blood, adoption, or marriage to the prostitute, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution of an individual 18 years of age or above may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

Subd. 4. This section does not apply to the sale of goods or services to a prostitute in the ordinary course of a lawful business.

Sec. 5. Minnesota Statutes 1990, section 609.378, subdivision 1, is amended to read:

Subdivision 1. [PERSONS GUILTY OF NEGLECT OR ENDANGERMENT.] The following people are guilty of neglect or endangerment of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

(a) [NEGLECT.] (1) A parent, legal guardian, or caretaker who willfully deprives a child of necessary food, clothing, shelter, health care, or supervision appropriate to the child's age, when the parent, guardian, or caretaker is reasonably able to make the necessary provisions and the deprivation substantially harms or is likely to substantially harm the child's physical or emotional health is guilty of neglect of a child. If a parent, guardian, or caretaker responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, this treatment or care is "health care," for purposes of this clause.

(2) A parent, legal guardian, or caretaker who knowingly permits the continuing physical or sexual abuse of a child is guilty of neglect of a child.

(b) [ENDANGERMENT.] A parent, legal guardian, or caretaker who endangers the child's person or health by:

(1) intentionally causing or permitting a child to be placed in a situation likely to substantially harm the child's physical or mental health or cause the child's death; or

(2) knowingly causing or permitting the child to be present where any person is selling or possessing a controlled substance, as defined in section 152.01, subdivision 4, in violation of section 152.021, 152.022, 152.023, or 152.024;

is guilty of child endangerment. This paragraph does not prevent a parent, legal guardian, or caretaker from causing or permitting a child to engage in activities that are appropriate to the child's age, stage of development, and experience, or from selecting health care as defined in subdivision 1, paragraph (a).

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 5

CRIME VICTIMS

Section 1. [62A.302] [HIV OR AIDS TESTING.]

No issuer of life insurance or of health coverage in this state shall:

(1) obtain or use the results of a test for the HIV virus or for acquired immune deficiency syndrome for the purpose of underwriting, determination of premium, or any other reason, where the test was performed on the victim of an assault for the purpose of determining whether the victim acquired the HIV virus from the person who committed or is alleged to have committed an assault that was reported to law enforcement authorities prior to the test; or

(2) ask an applicant for coverage or a person already covered whether the person has had a test performed for the reason set forth in clause (1). Any question that purports to require an answer that would provide information regarding a test performed for the reason set forth in clause (1) may be interpreted as excluding any such test. An answer that does not mention the test must be deemed to be a truthful answer for all purposes. Any authorization for release of medical records for purposes of insurance underwriting, rating, or similar purposes, must specifically exclude any test performed for the purpose set forth in clause (1) and must be read as providing such an exclusion whether the exclusion is expressly stated or not.

This section does not affect tests conducted for purposes other than described in clause (1).

Sec. 2. Minnesota Statutes 1990, section 135A.15, is amended to read:

135A.15 [SEXUAL HARASSMENT AND VIOLENCE POLICY.]

Subdivision 1. [POLICY REQUIRED.] The governing board of each public post-secondary system and each public post-secondary institution shall adopt a clear, understandable written policy on sexual harassment and sexual violence. The policy must apply to students and employees and must provide information about their rights and duties. It must include procedures for reporting incidents of sexual harassment or sexual violence and for disciplinary actions against violators. During student registration, each public post-secondary institution shall provide each student with information regarding its policy. A copy of the policy also shall be posted at appropriate locations on campus at all times. Each private post-secondary institution that enrolls students who receive state financial aid must adopt a policy that meets the requirements of this section. The higher education coordinating board shall coordinate

the policy development of the systems and institutions and periodically provide for review and necessary changes in the policies.

Subd. 2. [VICTIMS RIGHTS.] The policy required under subdivision 1 shall, at a minimum, contain the following rights:

(1) the right to the prompt assistance of school authorities in notifying the appropriate prosecutorial and disciplinary authorities of a sexual assault incident;

(2) the right to a prompt investigation and resolution of a sexual assault complaint by the appropriate prosecutorial and disciplinary authorities;

(3) the right to participate in and have the assistance of an attorney or other support person at any school disciplinary proceeding concerning the sexual assault complaint;

(4) the right to be notified of the outcome of any school disciplinary proceeding concerning the sexual assault complaint;

(5) the right to the complete and prompt assistance of school authorities in obtaining, securing, and maintaining evidence relevant to the school disciplinary proceeding or other legal proceeding concerning the sexual assault complaint; and

(6) the right to have school authorities and personnel take all necessary steps to shield the victim from unwanted contact with the alleged assailant, including but not limited to, relocation of the victim to safe, alternative housing and transfer of the victim to alternative classes, if requested.

Sec. 3. Minnesota Statutes 1990, section 260.155, is amended by adding a subdivision to read:

Subd. 1b. [RIGHT OF ALLEGED VICTIM TO PRESENCE OF SUPPORTIVE PERSON.] Notwithstanding any provision of subdivision 1 to the contrary, in any delinquency proceedings in which the alleged victim of the delinquent act is testifying in court, the victim may choose to have a supportive person, whether or not a witness, present during the testimony of the victim. If the person chosen is also scheduled to be a witness in the proceedings, the county attorney shall present, on noticed motion, evidence that the person's attendance is both desired by the victim for support and will be helpful to the victim. Upon that showing, the court shall grant the request unless information presented by the alleged delinquent or noticed by the court establishes that the supportive person's attendance during the testimony of the victim would pose a substantial risk of influencing or affecting the content of that testimony.

Sec. 4. Minnesota Statutes 1990, section 595.02, subdivision 4, is amended to read:

Subd. 4. [COURT ORDER.] (a) In a proceeding in which a child less than ~~ten~~ 12 years of age is alleging, denying, or describing:

(1) an act of physical abuse or an act of sexual contact or penetration performed with or on the child or any other person by another; or

(2) an act that constitutes a crime of violence committed against the child or any other person, the court may, upon its own motion or upon the motion of any party, order that the testimony of the child be taken in a room other than the courtroom or in the courtroom and televised at the same time by closed-circuit equipment, or recorded for later showing to be viewed by the jury in the proceeding, to minimize the trauma to the child of testifying in the courtroom setting and, where necessary, to provide a setting more amenable to securing the child witness's uninhibited, truthful testimony.

(b) At the taking of testimony under this subdivision, only the judge, the attorneys for the defendant and for the state, any person whose presence would contribute to the welfare and well-being of the child, persons necessary to operate the recording or closed-circuit equipment and, in a child protection proceeding under chapter 260 or a dissolution or custody proceeding under chapter 518, the attorneys for those parties with a right to participate may be present with the child during the child's testimony.

(c) The court shall permit the defendant in a criminal or delinquency matter to observe and hear the testimony of the child in person. If the court, upon its own motion or the motion of any party, ~~determines~~ finds in a hearing conducted outside the presence of the jury, that the presence of the defendant during testimony taken pursuant to this subdivision would psychologically traumatize the witness so as to render the witness unavailable to testify, the court may order that the testimony be taken in a manner that:

(1) the defendant can see and hear the testimony of the child in person and communicate with counsel, but the child cannot see or hear the defendant; or

(2) the defendant ~~and child can view each other~~ can see and hear the testimony of the child by video or television monitor from a separate ~~rooms~~ room and communicate with counsel, but the child cannot see or hear the defendant.

(d) As used in this subdivision, "crime of violence" has the meaning given it in section 624.712, subdivision 5, and includes violations of section 609.26.

Sec. 5. [611A.19] [MANDATORY TESTING FOR HUMAN IMMUNODEFICIENCY VIRUS.]

Subdivision 1. [TESTING; WHEN REQUIRED.] (a) The sentencing court shall require a person convicted of violating section 609.342, 609.343, 609.344, or 609.345, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if the victim was exposed to or had contact with any of the offender's bodily fluids during commission of the crime.

(b) Upon motion of the prosecutor made in camera, the sentencing court shall require a person convicted of a crime not listed in paragraph (a) to submit to testing to determine the presence of HIV antibody if the victim was exposed to or had contact with any of the offender's bodily fluids during commission of the crime.

Subd. 2. [DISCLOSURE OF TEST RESULTS.] The court's requirement that a person submit to testing under subdivision 1, and the date and results of any test performed under subdivision 1 are classified as private data under chapter 13, except that the results are available, on request, to the victim or, if the victim is a minor, to the victim's parent or guardian. Any test results given to a victim shall be provided by a health professional who is trained to provide the counseling described in section 144.763.

Subd. 3. [ADVERSE INSURANCE ACTION PROHIBITED.] No life or health insurer may terminate or fail to renew coverage on a victim or base a victim's premium on the results of any HIV test performed under subdivision 1 or on the results of any HIV test performed on a crime victim who was exposed to or had contact with the offender's bodily fluids.

Sec. 6. [611A.711] [CRIME VICTIM SERVICES TELEPHONE LINE.]

The commissioner of public safety shall operate at least one statewide toll-free 24-hour telephone line for the purpose of providing crime victims with referrals for victim services and resources.

Sec. 7. [MEDIATION PROGRAMS FOR CRIME VICTIMS AND OFFENDERS.]

Subdivision 1. [GRANTS.] The state court administrator shall award grants to nonprofit organizations to create or expand mediation programs for crime victims and offenders. For purposes of this section, "offender" means an adult charged with a nonviolent misdemeanor or a juvenile with respect to whom a petition for delinquency has been filed in connection with a nonviolent misdemeanor.

Subd. 2. [PROGRAMS.] The state court administrator shall award grants to further the following goals:

(1) to expand existing mediation programs for crime victims and juvenile offenders to also include adult offenders;

(2) to initiate victim-offender mediation programs in areas that have no victim-offender mediation programs;

(3) to expand the opportunities for crime victims to be involved in the criminal justice process;

(4) to evaluate the effectiveness of victim-offender mediation programs in reducing recidivism and encouraging the payment of court-ordered restitution; and

(5) to evaluate the satisfaction of victims who participate in the mediation programs.

Subd. 3. [MEDIATOR QUALIFICATIONS.] The state court administrator shall establish criteria to ensure that mediators participating in the program are qualified.

Subd. 4. [MATCH REQUIRED.] A nonprofit organization may not receive a grant under this section unless the group has raised a matching amount from other sources.

Sec. 8. [EFFECTIVE DATE.]

Sections 3 and 4 are effective August 1, 1992, and apply to proceedings commenced on or after that date. Section 5 is effective August 1, 1992, and applies to crimes committed on or after that date.

ARTICLE 6

DOMESTIC ABUSE

Section 1. [256F.10] [GRANTS FOR CHILDREN'S SAFETY CENTERS.]

The commissioner shall issue a request for proposals from nonprofit, nongovernmental organizations, to design and implement two pilot children's safety centers. The purpose of the centers shall be 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. One of the pilot projects shall be located in the seven-county metropolitan area and one of the projects shall be located outside the seven-county metropolitan area.

Each children's safety center shall be designed 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 shall be available for use by district courts who may order visitation to occur at a safety center. The centers can 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 have an educational team which shall provide parenting and child development classes, and must offer support groups to participating custodial parents and hold regular classes designed to assist children who have experienced domestic violence and abuse.

Each center must provide sufficient security to ensure a safe visitation environment for children and their parents.

The commissioner shall award funds to provide statewide administration and development of the project sites. Funds shall be available beginning July 1, 1992. A grantee must demonstrate the ability to provide a local match for the two project sites. The local match may include in-kind contributions. The commissioner shall evaluate the operation of the two pilot projects and the statewide administration of the children's safety centers and report back to the legislature by February 1, 1994, with recommendations.

Sec. 2. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 3a, is amended to read:

Subd. 3a. [FILING FEE.] The filing fees for an order for protection under this section are waived for the petitioner. The court administrator and the sheriff of any county in this state shall perform their duties relating to service of process without charge to the petitioner. The court shall ~~also~~ direct payment of the reasonable costs of service of process ~~in the manner provided in section 563.01, whether served by a sheriff,~~ if served by a private process server, when the sheriff is unavailable or if service is made by publication, without requiring the petitioner to make application under section 563.01. The court may direct a respondent to pay to the court administrator the petitioner's filing fees and reasonable costs of service of process if the court determines that the respondent has the ability to pay the petitioner's fees and costs.

Sec. 3. Minnesota Statutes 1990, section 518B.01, subdivision 13, is amended to read:

Subd. 13. [COPY TO LAW ENFORCEMENT AGENCY.] (a) An order for protection granted pursuant to this section shall be forwarded by the court administrator within 24 hours to the local

law enforcement agency with jurisdiction over the residence of the applicant.

Each appropriate law enforcement agency shall make available to other law enforcement officers through a system for verification, information as to the existence and status of any order for protection issued pursuant to this section.

(b) If the applicant notifies the court administrator of a change in the applicant's residence so that a different local law enforcement agency has jurisdiction over the residence, the order for protection must be forwarded by the court administrator to the new law enforcement agency within 24 hours of the notice. If the applicant notifies the new law enforcement agency that an order for protection has been issued under this section and the applicant has established a new residence within that agency's jurisdiction, within 24 hours the local law enforcement agency shall request a copy of the order for protection from the court administrator in the county that issued the order.

(c) When an order for protection is granted, the applicant for an order for protection must be told by the court that:

(1) notification of a change in residence should be given immediately to the court administrator and to the local law enforcement agency having jurisdiction over the new residence of the applicant;

(2) the reason for notification of a change in residence is to forward an order for protection to the proper law enforcement agency; and

(3) the order for protection must be forwarded to the law enforcement agency having jurisdiction over the new residence within 24 hours of notification of a change in residence, whether notification is given to the court administrator or to the local law enforcement agency having jurisdiction over the applicant's new residence.

An order for protection is enforceable even if the applicant does not notify the court administrator or the appropriate law enforcement agency of a change in residence.

Sec. 4. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 14, is amended to read:

Subd. 14. [VIOLATION OF AN ORDER FOR PROTECTION.] (a) Whenever an order for protection is granted pursuant to this section, and the respondent or person to be restrained knows of the order, violation of the order for protection is a misdemeanor. Upon conviction, the defendant must be sentenced to a minimum of three days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. If the court stays

imposition or execution of the jail sentence and the defendant refuses or fails to comply with the court's treatment order, the court must impose and execute the stayed jail sentence. A person who violates this paragraph within two years after a previous conviction under this paragraph or within two years after a previous conviction under a similar law of another state, is guilty of a gross misdemeanor. ~~When a court sentences a person convicted of a gross misdemeanor and does not impose a period of incarceration, the court shall make findings on the record regarding the reasons for not requiring incarceration.~~ Upon conviction, the defendant must be sentenced to a minimum of 30 days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for gross misdemeanor convictions.

(b) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated an order granted pursuant to this section restraining the person or excluding the person from the residence or the petitioner's place of employment, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. The person shall be held in custody for at least 36 hours, excluding the day of arrest, Sundays, and holidays, unless the person is released earlier by a judge or judicial officer. A peace officer acting in good faith and exercising due care in making an arrest pursuant to this paragraph is immune from civil liability that might result from the officer's actions.

(c) A violation of an order for protection shall also constitute contempt of court and be subject to the penalties therefor.

(d) If the court finds that the respondent has violated an order for protection and that there is reason to believe that the respondent will commit a further violation of the provisions of the order restraining the respondent from committing acts of domestic abuse or excluding the respondent from the petitioner's residence, the court may require the respondent to acknowledge an obligation to comply with the order on the record. The court may require a bond sufficient to deter the respondent from committing further violations of the order for protection, considering the financial resources of the respondent, and not to exceed $10,000. If the respondent refuses to comply with an order to acknowledge the obligation or post a bond under this paragraph, the court shall commit the respondent to the county jail during the term of the order for protection or until the respondent complies with the order under this paragraph. The warrant must state the cause of commitment, with the sum and time for which any bond is required. If an order is issued under this paragraph, the court may order the costs of the

contempt action, or any part of them, to be paid by the respondent. An order under this paragraph is appealable.

(e) Upon the filing of an affidavit by the petitioner, any peace officer, or an interested party designated by the court, alleging that the respondent has violated any order for protection granted pursuant to this section, the court may issue an order to the respondent, requiring the respondent to appear and show cause within 14 days why the respondent should not be found in contempt of court and punished therefor. The hearing may be held by the court in any county in which the petitioner or respondent temporarily or permanently resides at the time of the alleged violation. The court also may refer the violation of the order for protection to the appropriate prosecuting authority for possible prosecution under paragraph (a).

(f) If it is alleged that the respondent has violated an order for protection issued under subdivision 6 and the court finds that the order has expired between the time of the alleged violation and the court's hearing on the violation, the court may grant a new order for protection under subdivision 6 based solely on the respondent's alleged violation of the prior order, to be effective until the hearing on the alleged violation of the prior order. If the court finds that the respondent has violated the prior order, the relief granted in the new order for protection shall be extended for a fixed period, not to exceed one year.

(g) The admittance into petitioner's dwelling of an abusing party excluded from the dwelling under an order for protection is not a violation by the petitioner of the order for protection.

A peace officer is not liable under section 609.43, clause (1), for a failure to perform a duty required by clause (b).

Sec. 5. Minnesota Statutes 1990, section 609.02, is amended by adding a subdivision to read:

Subd. 14. [ELECTRONIC MONITORING DEVICE.] As used in sections 7, 11, and 14, "electronic monitoring device" means a radio frequency transmitter unit that is worn at all times on the person of a defendant in conjunction with a receiver unit that is located in the victim's residence or on the victim's person. The receiver unit emits an audible and visible signal whenever the defendant with a transmitter unit comes within a designated distance from the receiver unit.

Sec. 6. Minnesota Statutes 1990, section 609.135, subdivision 5, is amended to read:

Subd. 5. If a person is convicted of assaulting a spouse or other person with whom the person resides, and the court stays imposition

or execution of sentence and places the defendant on probation, the court ~~may~~ must condition the stay upon the defendant's participation in counseling or other appropriate programs selected by the court.

Sec. 7. Minnesota Statutes 1990, section 609.135, is amended by adding a subdivision to read:

Subd. 5b. [DOMESTIC ABUSE VICTIMS; ELECTRONIC MONITORING.] (a) Until the legislature has adopted standards governing electronic monitoring devices used to protect victims of domestic abuse, the court, as a condition of a stay of imposition or execution of a sentence, may not order an offender convicted of a crime described in paragraph (b) to use an electronic monitoring device to protect a victim's safety.

(b) This subdivision applies to the following crimes, if committed by the defendant against a family or household member as defined in section 518B.01, subdivision 2:

(1) violations of orders for protection issued under chapter 518B;

(2) assault in the first, second, third, or fifth degree under section 609.221, 609.222, 609.223, or 609.224;

(3) criminal damage to property under section 609.595;

(4) disorderly conduct under section 609.72;

(5) harassing telephone calls under section 609.79;

(6) burglary under section 609.582;

(7) trespass under section 609.605;

(8) criminal sexual conduct in the first, second, third, fourth, or fifth degree under section 609.342, 609.343, 609.344, 609.345, or 609.3451; and

(9) terroristic threats under section 609.713.

(c) Notwithstanding paragraph (a), the judges in the tenth judicial district may order, as a condition of a stay of imposition or execution of a sentence, a defendant convicted of a crime described in paragraph (b), to use an electronic monitoring device to protect the victim's safety. The judges shall make data on the use of electronic monitoring devices to protect a victim's safety in the tenth judicial district available to the commissioner of corrections to evaluate and to aid in development of standards for the use of devices to protect victims of domestic abuse.

Sec. 8. Minnesota Statutes 1990, section 609.19, is amended to read:

609.19 [MURDER IN THE SECOND DEGREE.]

Whoever does ~~either~~ any of the following is guilty of murder in the second degree and may be sentenced to imprisonment for not more than 40 years:

(1) Causes the death of a human being with intent to effect the death of that person or another, but without premeditation~~, or~~;

(2) Causes the death of a human being, without intent to effect the death of any person, while committing or attempting to commit a felony offense other than criminal sexual conduct in the first or second degree with force or violence; or

(3) Causes the death of a human being without intent to effect the death of any person, while intentionally inflicting or attempting to inflict bodily harm upon the victim, when the perpetrator is restrained under an order for protection issued under chapter 518B and the victim is a person designated to receive protection under the order.

Sec. 9. Minnesota Statutes 1990, section 609.224, subdivision 2, is amended to read:

Subd. 2. [GROSS MISDEMEANOR.] (a) Whoever violates the provisions of subdivision 1 against the same victim within five years of a previous conviction under subdivision 1 ~~or~~, sections 609.221 to 609.2231, or any similar law of another state, may be sentenced to imprisonment for not more than one year or to a payment of a fine of not more than $3,000, or both.

(b) Whoever violates the provisions of subdivision 1 within two years of a previous conviction under subdivision 1 or sections 609.221 to 609.2231 may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

Sec. 10. Minnesota Statutes 1990, section 609.605, is amended by adding a subdivision to read:

Subd. 4. [FELONY.] A person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if the person:

(1) is restrained by a temporary or permanent order for protection granted under section 518B.01;

(2) knows that the order has been issued;

(3) violates the order by entering the dwelling of the person who petitioned for the order; and

(4) enters the dwelling when the petitioner is present and without that person's consent.

Sec. 11. [611A.07] [ELECTRONIC MONITORING TO PROTECT DOMESTIC ABUSE VICTIMS; STANDARDS.]

Subdivision 1. [GENERALLY.] The commissioner of corrections, after considering the recommendations of the battered women advisory council and the sexual assault advisory council, and in collaboration with the commissioner of public safety, shall recommend standards governing electronic monitoring devices used to protect victims of domestic abuse. In developing proposed standards, the commissioner shall consider the experience of the courts in the tenth judicial district in the use of the devices to protect victims of domestic abuse. These standards shall promote the safety of the victim and shall include measures to avoid the disparate use of the device with communities of color, product standards, monitoring agency standards, and victim disclosure standards.

Subd. 2. [REPORT TO LEGISLATURE.] By January 1, 1993, the commissioner of corrections shall report to the legislature on the proposed standards for electronic monitoring devices used to protect victims of domestic abuse.

Sec. 12. [629.342] [LAW ENFORCEMENT POLICIES FOR DOMESTIC ABUSE ARRESTS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "domestic abuse" has the meaning given in section 518B.01, subdivision 2.

Subd. 2. [POLICIES REQUIRED.] Each law enforcement agency shall develop, adopt, and implement a written policy regarding arrest procedures for domestic abuse incidents. In the development of a policy, each law enforcement agency shall consult with domestic abuse advocates, community organizations, and other law enforcement agencies with expertise in the recognition and handling of domestic abuse incidents. The policy shall discourage dual arrests and include consideration of whether one of the parties acted in self defense and consideration of other appropriate factors.

Subd. 3. [ASSISTANCE TO VICTIM WHERE NO ARREST.] If a law enforcement officer does not make an arrest when the officer has probable cause to believe that a person is committing or has committed domestic abuse or violated an order for protection, the

officer shall provide immediate assistance to the victim. Assistance includes:

(1) assisting the victim in obtaining necessary medical treatment;

(2) providing the victim with the notice of rights under section 629.341, subdivision 3; and

(3) remaining at the scene for a reasonable time until, in the reasonable judgment of the officer, the likelihood of further imminent violence has been eliminated.

Subd. 4. [IMMUNITY.] A peace officer acting in good faith and exercising due care in providing assistance to a victim pursuant to subdivision 3 is immune from civil liability that might result from the officer's action.

Sec. 13. [629.531] [ELECTRONIC MONITORING AS A CONDITION OF PRETRIAL RELEASE.]

If a court orders electronic monitoring as a condition of pretrial release, it may not use the electronic monitoring as a determining factor in deciding what the appropriate level of the defendant's money bail or appearance bond should be.

Sec. 14. Minnesota Statutes 1990, section 629.72, is amended by adding a subdivision to read:

Subd. 2a. [ELECTRONIC MONITORING AS A CONDITION OF PRETRIAL RELEASE.] (a) Until the legislature has adopted standards governing electronic monitoring devices used to protect victims of domestic abuse, the court, as a condition of release, may not order a person arrested for a crime described in section 609.135, subdivision 5b, paragraph (b), to use an electronic monitoring device to protect a victim's safety.

(b) Notwithstanding paragraph (a), district courts in the tenth judicial district may order, as a condition of a release, a person arrested on a charge of a crime described in section 609.135, subdivision 5b, paragraph (b), to use an electronic monitoring device to protect the victim's safety. The courts shall make data on the use of electronic monitoring devices to protect a victim's safety in the tenth judicial district available to the commissioner of corrections to evaluate and to aid in development of standards for the use of devices to protect victims of domestic abuse.

Sec. 15. Minnesota Statutes 1990, section 630.36, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] The issues on the calendar shall be

disposed of in the following order, unless, upon the application of either party, for good cause, the court directs an indictment or complaint to be tried out of its order:

(1) indictments or complaints for felony, where the defendant is in custody;

(2) indictments or complaints for misdemeanor, where the defendant is in custody;

(3) indictments or complaints alleging child abuse, as defined in subdivision 2, where the defendant is on bail;

(4) indictments or complaints alleging domestic assault, as defined in subdivision 3, where the defendant is on bail;

(5) indictments or complaints for felony, where the defendant is on bail; and

~~(5)~~ (6) indictments or complaints for misdemeanor, where the defendant is on bail.

After a plea, the defendant shall be entitled to at least four days to prepare for trial, if the defendant requires it.

Sec. 16. Minnesota Statutes 1990, section 630.36, is amended by adding a subdivision to read:

Subd. 3. [DOMESTIC ASSAULT DEFINED.] As used in subdivision 1, "domestic assault" means an assault committed by the actor against a family or household member, as defined in section 518B.01, subdivision 2.

Sec. 17. [EFFECTIVE DATE.]

Sections 4, 6, and 8 to 10 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 7

JUVENILES

Section 1. Minnesota Statutes 1990, section 242.19, subdivision 2, is amended to read:

Subd. 2. [DISPOSITIONS.] When a child has been committed to the commissioner of corrections by a juvenile court, upon a finding of delinquency, the commissioner may for the purposes of treatment

and rehabilitation~~;~~ take any of the actions described in paragraphs (a) to (f).

(a) The commissioner may order the child's confinement to the Minnesota correctional facility-Red Wing or the Minnesota correctional facility-Sauk Centre, which shall accept the child, or to a group foster home under the control of the commissioner of corrections, or to private facilities or facilities established by law or incorporated under the laws of this state that may care for delinquent children~~;~~. If the commissioner determines that the child presents a danger to the public safety due to the nature of the child's delinquent act, the child's conduct in the correctional facility, or the child's past history of escape from confinement, the commissioner may order the child's confinement in a secure unit at the Minnesota correctional facility-Red Wing for the purpose of long-term secure confinement, treatment, and rehabilitation. The commissioner shall provide appropriate educational, treatment, and other rehabilitative programs to children confined in the secure unit. The commissioner may operate the programs using department employees or may contract with private or other public agencies or programs to provide these educational, treatment, and rehabilitative services.

(b) The commissioner may order the child's release on parole under such supervisions and conditions as the commissioner believes conducive to law-abiding conduct, treatment and rehabilitation~~;~~.

(c) The commissioner may order reconfinement or renewed parole as often as the commissioner believes to be desirable~~;~~.

(d) The commissioner may revoke or modify any order, except an order of discharge, as often as the commissioner believes to be desirable~~;~~.

(e) The commissioner may discharge the child when the commissioner is satisfied that the child has been rehabilitated and that such discharge is consistent with the protection of the public~~;~~.

(f) If the commissioner finds that the child is eligible for probation or parole and it appears from the commissioner's investigation that conditions in the child's or the guardian's home are not conducive to the child's treatment, rehabilitation, or law-abiding conduct, refer the child, together with the commissioner's findings, to a county welfare board or a licensed child placing agency for placement in a foster care or, when appropriate, for initiation of child in need of protection or services proceedings as provided in sections 260.011 to 260.301. The commissioner of corrections shall reimburse county welfare boards for foster care costs they incur for the child while on probation or parole to the extent that funds for this purpose are made available to the commissioner by the legislature. The juvenile court shall order the parents of a child on probation or parole to pay the costs of foster care under section 260.251, subdivision 1, accord-

ing to their ability to pay, and to the extent that the commissioner of corrections has not reimbursed the county welfare board.

Sec. 2. Minnesota Statutes 1990, section 260.155, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Except for hearings arising under section 260.261, hearings on any matter shall be without a jury and may be conducted in an informal manner. The rules of evidence promulgated pursuant to section 480.0591 and the law of evidence shall apply in adjudicatory proceedings involving a child alleged to be delinquent, in need of protection or services under section 260.015, subdivision 2a, clause (11) or (12), or a juvenile petty offender, and hearings conducted pursuant to section 260.125 except to the extent that the rules themselves provide that they do not apply. Except for proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may be continued or adjourned from time to time. In proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may not be continued or adjourned for more than one week unless the court makes specific findings that the continuance or adjournment is in the best interests of the child. If a hearing is held on a petition involving physical or sexual abuse of a child who is alleged to be in need of protection or services or neglected and in foster care, the court shall file the decision with the court administrator as soon as possible but no later than 15 days after the matter is submitted to the court. When a continuance or adjournment is ordered in any proceeding, the court may make any interim orders as it deems in the best interests of the minor in accordance with the provisions of sections 260.011 to 260.301. The court shall exclude the general public from these hearings and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court; except that, the court shall open the hearings to the public in delinquency proceedings where the child is alleged to have committed an offense or has been proven to have committed an offense that would be a felony if committed by an adult and the child was at least 16 years of age at the time of the offense. In all delinquency cases a person named in the charging clause of the petition as a person directly damaged in person or property shall be entitled, upon request, to be notified by the court administrator in writing, at the named person's last known address, of (1) the date of the reference or adjudicatory hearings, and (2) the disposition of the case. Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.

Sec. 3. Minnesota Statutes 1990, section 260.181, is amended by adding a subdivision to read:

Subd. 3a. [REPORTS; JUVENILES PLACED OUT OF STATE.] (a) Whenever a child is placed in a residential program located

outside of this state pursuant to a disposition order issued under section 260.185 or 260.191, the juvenile court administrator shall report the following information to the state court administrator:

(1) the fact that the placement is out of state;

(2) the type of placement; and

(3) the reason for the placement.

(b) By July 1, 1994, and each year thereafter, the state court administrator shall file a report with the legislature containing the information reported under paragraph (a) during the previous calendar year.

Sec. 4. Minnesota Statutes 1990, section 260.185, subdivision 4, is amended to read:

Subd. 4. All orders for supervision under subdivision 1, clause (b) shall be for an indeterminate period unless otherwise specified by the court, and shall be reviewed by the court at least annually. All orders under subdivision 1, clause (c) shall be for a specified length of time set by the court. However, before an order has expired and upon the court's own motion or that of any interested party, the court has continuing jurisdiction to renew the order or, after notice to the parties and a hearing, make some other disposition of the case, until the individual ~~is no longer a minor~~ becomes 19 years of age. Any person to whom legal custody is transferred shall report to the court in writing at such periods as the court may direct.

Sec. 5. Minnesota Statutes 1990, section 546.27, subdivision 1, is amended to read:

Subdivision 1. (a) When an issue of fact has been tried by the court, the decision shall be in writing, the facts found and the conclusion of law shall be separately stated, and judgment shall be entered accordingly. Except as provided in paragraph (b), all questions of fact and law, and all motions and matters submitted to a judge for a decision in trial and appellate matters, shall be disposed of and the decision filed with the court administrator within 90 days after such submission, unless sickness or casualty shall prevent, or the time be extended by written consent of the parties. No part of the salary of any judge shall be paid unless the voucher therefor be accompanied by a certificate of the judge that there has been full compliance with the requirements of this section.

(b) If a hearing has been held on a petition under chapter 260 involving physical or sexual abuse of a child who is alleged to be in need of protection or services or neglected and in foster care, the

decision must be filed within 15 days after the matter is submitted to the judge.

Sec. 6. [SENTENCING GUIDELINES MODIFICATION.] The sentencing guidelines commission shall modify clause (e) of sentencing guideline II.B.4 to exclude violent crimes, as defined in Minnesota Statutes, section 609.152, subdivision 1, from the maximum limit on the number of criminal history points an offender may receive for prior juvenile offenses, if the offender was represented by an attorney in the juvenile court proceedings concerning the prior offense.

Sec. 7. [EFFECTIVE DATE.]

Section 6 is effective August 1, 1992, and applies to crimes committed on or after that date.

ARTICLE 8

LAW ENFORCEMENT

Section 1. Minnesota Statutes 1990, section 13.87, subdivision 2, is amended to read:

Subd. 2. [CLASSIFICATION.] Criminal history data maintained by agencies, political subdivisions and statewide systems are classified as private, pursuant to section 13.02, subdivision 12, except that the identity of an individual who has been convicted of a crime and the offense of which the individual was convicted are public data for 15 years following the discharge of the sentence imposed for the offense.

Sec. 2. [169.797] [CRIMINAL PENALTY FOR FAILURE TO PRODUCE RENTAL OR LEASE AGREEMENT.]

Subdivision 1. [DEFINITION.] As used in this section:

(1) "rental or lease agreement" means a written agreement to rent or lease a motor vehicle that contains the name, address, and driver's license number of the renter or lessee; and

(2) "person" has the meaning given the term in section 645.44, subdivision 7.

Subd. 2. [REQUIREMENT.] Every person who rents or leases a motor vehicle in this state for a time period of less than 180 days shall have the rental or lease agreement covering the vehicle in possession at all times when operating the vehicle and shall produce it upon the demand of a peace officer. If the person is unable to produce the rental or lease agreement upon the demand of a peace

officer, the person shall, within 14 days after the demand, produce the rental or lease agreement to the place stated in the notice provided by the peace officer. The rental or lease agreement may be mailed by the person as long as it is received within 14 days.

Subd. 3. [PENALTY.] A person who fails to produce a rental or lease agreement as required by this section is guilty of a misdemeanor. The peace officer may mail the citation to the address given by the person or to the address stated on the driver's license. This service by mail is valid notwithstanding section 629.34. It is not a defense that the person failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent after the 14-day period.

Subd. 4. [FALSE OR FICTITIOUS RENTAL OR LEASE AGREEMENT.] It is a misdemeanor for any person to alter or make a fictitious rental or lease agreement, or to display an altered or fictitious rental or lease agreement knowing or having reason to know the agreement is altered or fictitious.

Sec. 3. Minnesota Statutes 1990, section 259.11, is amended to read:

259.11 [ORDER; FILING COPIES.]

(a) Upon meeting the requirements of section 259.10, the court shall grant the application unless it finds that there is an intent to defraud or mislead or in the case of the change of a minor child's name, the court finds that such name change is not in the best interests of the child. The court shall set forth in the order the name and age of the applicant's spouse and each child of the applicant, if any, and shall state a description of the lands, if any, in which the applicant and the spouse and children, if any, claim to have an interest. The clerk shall file such order, and record the same in the judgment book. If lands be described therein, a certified copy of the order shall be filed for record, by the applicant, with the county recorder of each county wherein any of the same are situated. Before doing so the clerk shall present the same to the county auditor who shall enter the change of name in the auditor's official records and note upon the instrument, over an official signature, the words "change of name recorded." Any such order shall not be filed, nor any certified copy thereof be issued, until the applicant shall have paid to the county recorder and clerk the fee required by law. No application shall be denied on the basis of the marital status of the applicant.

(b) When a person applies for a name change, the court shall determine whether the person has been convicted of a felony in this or any other state. If so, the court shall, within ten days after the name change application is granted, report the name change to the bureau of criminal apprehension. The person whose name is changed shall also report the change to the bureau of criminal

apprehension within ten days. The court granting the name change application must explain this reporting duty in its order. Any person required to report the person's name change to the bureau of criminal apprehension who fails to report the name change as required under this paragraph is guilty of a gross misdemeanor.

Sec. 4. Minnesota Statutes 1990, section 626.843, subdivision 1, is amended to read:

Subdivision 1. [RULES REQUIRED.] The board shall adopt rules with respect to:

(a) The certification of peace officer training schools, programs, or courses including training schools for the Minnesota state patrol. Such schools, programs and courses shall include those administered by the state, county, school district, municipality, or joint or contractual combinations thereof, and shall include preparatory instruction in law enforcement and minimum basic training courses;

(b) Minimum courses of study, attendance requirements, and equipment and facilities to be required at each certified peace officers training school located within the state;

(c) Minimum qualifications for instructors at certified peace officer training schools located within this state;

(d) Minimum standards of physical, mental, and educational fitness which shall govern the recruitment and licensing of peace officers within the state, by any state, county, municipality, or joint or contractual combination thereof, including members of the Minnesota state patrol;

(e) Minimum standards of conduct which would affect the individual's performance of duties as a peace officer;

These standards shall be established and published on or before July 1, 1979.

(f) Minimum basic training which peace officers appointed to temporary or probationary terms shall complete before being eligible for permanent appointment, and the time within which such basic training must be completed following any such appointment to a temporary or probationary term;

(g) Minimum specialized training which part-time peace officers shall complete in order to be eligible for continued employment as a part-time peace officer or permanent employment as a peace officer, and the time within which the specialized training must be completed;

(h) Content of minimum basic training courses required of graduates of certified law enforcement training schools or programs. Such courses shall not duplicate the content of certified academic or general background courses completed by a student but shall concentrate on practical skills deemed essential for a peace officer. Successful completion of such a course shall be deemed satisfaction of the minimum basic training requirement;

(i) Grading, reporting, attendance and other records, and certificates of attendance or accomplishment;

(j) The procedures to be followed by a part-time peace officer for notifying the board of intent to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to clause (g), and section 626.845, subdivision 1, clause (g);

(k) The establishment and use by any political subdivision or state law enforcement agency which employs persons licensed by the board of procedures for investigation and resolution of allegations of misconduct by persons licensed by the board. The procedures shall be in writing and shall be established on or before October 1, 1984;

(l) The issues that must be considered by each political subdivision and state law enforcement agency that employs persons licensed by the board in establishing procedures under section 626.5532 to govern the conduct of peace officers who are in pursuit of a vehicle being operated in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The adoption of specific procedures and requirements is within the authority of the political subdivision or agency; ~~and~~

(m) Supervision of part-time peace officers and requirements for documentation of hours worked by a part-time peace officer who is on active duty. These rules shall be adopted by December 31, 1993; and

(n) Such other matters as may be necessary consistent with sections 626.84 to 626.855. Rules promulgated by the attorney general with respect to these matters may be continued in force by resolution of the board if the board finds the rules to be consistent with sections 626.84 to 626.855.

Sec. 5. Minnesota Statutes 1990, section 626.8451, is amended to read:

626.8451 [TRAINING IN IDENTIFYING AND RESPONDING TO CERTAIN CRIMES ~~MOTIVATED BY BIAS~~.]

Subdivision 1. [TRAINING COURSE; CRIMES MOTIVATED BY BIAS.] The board must prepare a training course to assist peace

officers in identifying and responding to crimes motivated by the victim's race, religion, national origin, sex, age, disability, or characteristics identified as sexual orientation. The course must include material to help officers distinguish bias crimes from other crimes, to help officers in understanding and assisting victims of these crimes, and to ensure that bias crimes will be accurately reported as required under section 626.5531. The course must be updated periodically as the board considers appropriate.

Subd. 1a. [TRAINING COURSE; CRIMES OF VIOLENCE AGAINST WOMEN AND CHILDREN.] The board must prepare a training course to assist peace officers in responding to crimes of violence against women and children. The course must include information about:

(1) the needs of victims of these crimes and the most effective way to meet those needs;

(2) the extent and causes of violence, which includes sexual abuse, physical violence, and neglect;

(3) identification of violence, which includes physical or sexual abuse and neglect; and

(4) culturally responsive approaches to dealing with victims and perpetrators of violence.

Subd. 2. [PRESERVICE TRAINING REQUIREMENT.] An individual may not be licensed as a peace officer ~~after August 1, 1990,~~ unless the individual has received the training described in subdivision 1. An individual is not eligible to take the peace officer licensing examination after August 1, 1994, unless the individual has received the training described in subdivision 1a.

Subd. 3. [IN-SERVICE TRAINING; BOARD REQUIREMENTS.] The board must provide to chief law enforcement officers instructional materials patterned after the materials developed by the board under ~~subdivision~~ subdivisions 1 and 1a. These materials must meet board requirements for continuing education credit and be updated periodically as the board considers appropriate. The board must also seek funding for an educational conference to inform and sensitize chief law enforcement officers and other interested persons to the law enforcement issues associated with bias crimes and crimes of violence against women and children. If funding is obtained, the board may sponsor the educational conference on its own or with other public or private entities.

Subd. 4. [IN-SERVICE TRAINING; CHIEF LAW ENFORCEMENT OFFICER REQUIREMENTS.] A chief law enforcement officer ~~must~~ shall inform all peace officers within the officer's agency

of (1) the requirements of section 626.5531, (2) the availability of the instructional materials provided by the board under subdivision 3, and (3) the availability of continuing education credit for the completion of these materials. The chief law enforcement officer must also encourage these peace officers to review or complete the materials.

Sec. 6. Minnesota Statutes 1990, section 626.8465, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISION OF POWERS AND DUTIES.] No law enforcement agency shall utilize the services of a part-time peace officer unless the part-time peace officer exercises the part-time peace officer's powers and duties under the supervision, ~~directly or indirectly~~ of a licensed peace officer designated by the chief law enforcement officer. Supervision also may be via radio communications. With the consent of the county sheriff, the designated supervising officer may be a member of the county sheriff's department.

Sec. 7. Minnesota Statutes 1991 Supplement, section 626.861, subdivision 1, is amended to read:

Subdivision 1. [LEVY OF ASSESSMENT.] There is levied a penalty assessment of ~~12~~ 15 percent on each fine imposed and collected by the courts of this state for traffic offenses in violation of chapters 168 to 173 or equivalent local ordinances, other than a fine or forfeiture for a violation of a local ordinance or other law relating to the parking of a vehicle. In cases where the defendant is convicted but a fine is not imposed, or execution of the fine is stayed, the court shall impose a penalty assessment of not less than $5 nor more than $10 when the conviction is for a misdemeanor or petty misdemeanor, and shall impose a penalty assessment of not less than $10 but not more than $50 when the conviction is for a gross misdemeanor or felony. Where multiple offenses are involved, the penalty assessment shall be assessed separately on each offense for which the defendant is sentenced. If imposition or execution of sentence is stayed for all of the multiple offenses, the penalty assessment shall be based upon the most serious offense of which the defendant was convicted. Where the court suspends a portion of a fine, the suspended portion shall not be counted in determining the amount of the penalty assessment unless the offender is ordered to pay the suspended portion of the fine. Suspension of an entire fine shall be treated as a stay of execution for purposes of computing the amount of the penalty assessment.

Sec. 8. Minnesota Statutes 1990, section 626.861, subdivision 3, is amended to read:

Subd. 3. [COLLECTION BY COURT.] After a determination by the court of the amount of the fine or penalty assessment due, the court administrator shall collect the appropriate penalty assessment

and transmit it to the county treasurer separately with designation of its origin as a penalty assessment, but with the same frequency as fines are transmitted. Amounts collected under this subdivision shall then be transmitted to the state treasurer for deposit ~~in the general fund~~ for peace officers training, in the same manner as fines collected for the state by a county. The state treasurer shall identify and report to the commissioner of finance all amounts deposited in the general fund under this section.

Sec. 9. Minnesota Statutes 1991 Supplement, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] Receipts from penalty assessments must be credited to ~~the general fund~~ a peace officer training account in the special revenue fund. For fiscal years 1993 and 1994, the peace officers standards and training board ~~may~~ shall, and after fiscal year 1994 may, allocate from funds appropriated as follows:

(a) ~~Up to 30~~ At least 25 percent ~~may be provided~~ for reimbursement to board approved skills courses.

(b) ~~Up to 15~~ At least 13.5 percent ~~may be used~~ for the school of law enforcement.

(c) The balance may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214.

Sec. 10. [DEPARTMENT OF PUBLIC SAFETY STUDY; FORGED OR ALTERED DRIVERS' LICENSES.]

The commissioner of public safety shall conduct a study to determine the feasibility and cost of changing the current Minnesota driver's licensing system to minimize the potential for the alteration or forgery of Minnesota drivers' licenses. Among other things, the commissioner shall reevaluate the use of temporary paper licenses, the materials with which drivers' licenses are currently made, the manner in which photographs are mounted on the license, and the current method by which expired licenses are marked.

The commissioner shall file a written report with the legislature by February 1, 1993, containing the commissioner's findings and recommendations for change.

Sec. 11. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1995. Sections 2 and 3 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 9

PROCEDURAL CHANGES

Section 1. Minnesota Statutes 1990, section 631.035, is amended to read:

631.035 [~~JOINTLY CHARGED~~ JOINDER OF DEFENDANTS; ~~SEPARATE OR JOINT TRIALS~~.]

Subdivision 1. [JOINDER OF DEFENDANTS.] When two or more defendants are jointly charged with a felony, ~~they may be tried separately or jointly in the discretion of~~ the court shall, upon the prosecutor's written motion, order a joint trial for any two or more of the defendants, subject to the provisions of subdivision 2. ~~In making its determination on whether to order joinder or separate trials, the court shall consider the nature of the offense charged, the impact on the victim, the potential prejudice to the defendant, and the interests of justice.~~

Subd. 2. [RELIEF FROM PREJUDICIAL JOINDER.] If it appears that a defendant or the prosecution is prejudiced by a joinder of defendants in a complaint or indictment or by joinder for trial together, the court may order an election or separate trials of counts, grant a severance of defendants, or provide whatever other relief justice requires. In ruling on a motion by a defendant for severance, the court may order the prosecutor to deliver to the court for inspection in camera any statements or confessions made by the defendants which the prosecution intends to introduce in evidence at the trial.

Subd. 3. [EFFECT OF STATUTE ON RULES.] Any rule of the Rules of Criminal Procedure conflicting with this section is superseded to the extent of its conflict.

Sec. 2. [SUPREME COURT BAIL STUDY.]

The supreme court is requested to study whether guidelines should be adopted in the rules of criminal procedure governing the minimum amount of money bail that should be required in cases involving persons accused of crimes against the person.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1992, and applies to proceedings commenced on or after that date.

ARTICLE 10

CIVIL LAW PROVISIONS

Section 1. Minnesota Statutes 1990, section 332.51, subdivision 1, is amended to read:

Subdivision 1. [LIABILITY FOR THEFT OF PROPERTY.] A person who steals personal property from another is civilly liable to the owner of the property for its value when stolen plus punitive damages of ~~either~~ $50 ~~or up to 100 percent of its value when stolen, whichever is greater~~. If the property is merchandise stolen from a retail store, its value is the retail price of the merchandise in the store when the theft occurred.

Sec. 2. Minnesota Statutes 1990, section 332.51, subdivision 5, is amended to read:

Subd. 5. [RECOVERY OF PROPERTY.] The recovery of stolen property by a person does not affect liability under this section, ~~other than~~ except that there will be no liability for the value of the property if the property is recovered before it leaves the owner's premises or if it is recovered without any decrease in its retail value.

Sec. 3. [617.245] [CIVIL ACTION; USE OF A MINOR IN A SEXUAL PERFORMANCE.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Minor" means any person who, at the time of use in a sexual performance, is under the age of 16.

(c) "Promote" means to produce, direct, publish, manufacture, issue, or advertise.

(d) "Sexual performance" means any play, dance, or other exhibition presented before an audience or for purposes of visual or mechanical reproduction which depicts sexual conduct as defined by paragraph (e).

(e) "Sexual conduct" means any of the following if the depiction involves a minor:

(1) an act of sexual intercourse, normal or perverted, actual or simulated, including genital-genital, anal-genital, or oral-genital intercourse, whether between human beings or between a human being and an animal;

(2) sadomasochistic abuse, meaning flagellation, torture, or simi-

lar demeaning acts inflicted by or upon a minor who is nude, or the condition of being fettered, bound, or otherwise physically restrained on the part of one so unclothed;

(3) masturbation or lewd exhibitions of the genitals; and

(4) physical contact or simulated physical contact with the clothed or unclothed pubic areas or buttocks of a human male or female, or the breasts of the female, whether alone or between members of the same or opposite sex or between humans and animals in an act of apparent sexual stimulation or gratification.

Subd. 2. [CAUSE OF ACTION.] A cause of action exists for injury caused by the use of a minor in a sexual performance. The cause of action exists against a person who promotes, employs, uses, or permits a minor to engage or assist others to engage in posing or modeling alone or with others in a sexual performance, if the person knows or has reason to know that the conduct intended is a sexual performance.

A person found liable for injuries under this section is liable to the minor for damages.

Neither consent to sexual performance by the minor or by the minor's parent, guardian, or custodian, or mistake as to the minor's age is a defense to the action.

Subd. 3. [LIMITATION PERIOD.] An action for damages under this section must be commenced within six years of the time the plaintiff knew or had reason to know injury was caused by plaintiff's use as a minor in a sexual performance. The knowledge of a parent, guardian, or custodian may not be imputed to the minor. This section does not affect the suspension of the statute of limitations during a period of disability under section 541.15.

Sec. 4. Laws 1991, chapter 232, section 5, is amended to read:

Sec. 5. [APPLICABILITY.]

Notwithstanding any other provision of law, a plaintiff whose claim would otherwise be time-barred under Minnesota Statutes 1990 has until August 1, 1992, to commence a cause of action for damages based on personal injury caused by sexual abuse if the action is based on an intentional tort committed against the plaintiff.

Sec. 5. [EFFECTIVE DATE.]

Section 4 is effective retroactive to August 1, 1991, and applies to actions pending on or commenced on or after that date.

ARTICLE 11

MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 1991 Supplement, section 8.15, is amended to read:

8.15 [ATTORNEY GENERAL COSTS.]

The attorney general in consultation with the commissioner of finance shall assess executive branch agencies a fee for legal services rendered to them. The assessment against appropriations from other than the general fund must be the full cost of providing the services. The assessment against appropriations supported by fees must be included in the fee calculation. The assessment against appropriations from the general fund not supported by fees must be one-half of the cost of providing the services. An amount equal to the general fund receipts in the even-numbered year of the biennium is appropriated to the attorney general for each year of the succeeding biennium. All other receipts from assessments must be deposited in the state treasury and credited to the general fund.

The attorney general in consultation with the commissioner of finance shall assess political subdivisions fees to cover half the cost of legal services rendered to them, except legal services rendered to them in connection with appearances or prosecutions in criminal cases, as authorized by section 8.01.

Sec. 2. Minnesota Statutes 1990, section 270A.03, subdivision 5, is amended to read:

Subd. 5. "Debt" means a legal obligation of a natural person to pay a fixed and certain amount of money, which equals or exceeds $25 and which is due and payable to a claimant agency. The term includes criminal fines imposed under section 609.10 or 609.125 and restitution. A debt may arise under a contractual or statutory obligation, a court order, or other legal obligation, but need not have been reduced to judgment.

A debt does not include any legal obligation of a current recipient of assistance which is based on overpayment of an assistance grant.

A debt does not include any legal obligation to pay a claimant agency for medical care, including hospitalization if the income of the debtor at the time when the medical care was rendered does not exceed the following amount:

(1) for an unmarried debtor, an income of $6,400 or less;

(2) for a debtor with one dependent, an income of $8,200 or less;

(3) for a debtor with two dependents, an income of $9,700 or less;

(4) for a debtor with three dependents, an income of $11,000 or less;

(5) for a debtor with four dependents, an income of $11,600 or less; and

(6) for a debtor with five or more dependents, an income of $12,100 or less.

The income amounts in this subdivision shall be adjusted for inflation for debts incurred in calendar years 1991 and thereafter. The dollar amount of each income level that applied to debts incurred in the prior year shall be increased in the same manner as provided in section 290.06, subdivision 2d, for the expansion of the tax rate brackets.

Sec. 3. Minnesota Statutes 1990, section 485.018, subdivision 5, is amended to read:

Subd. 5. [COLLECTION OF FEES.] The court administrator of district court shall charge and collect all fees as prescribed by law and all such fees collected by the court administrator as court administrator of district court shall be paid to the county treasurer. Except for those portions of forfeited bail paid to victims pursuant to existing law, the county treasurer shall forward all revenue from fees and forfeited bail collected under chapters 357 and 574 to the state treasurer for deposit in the state treasury and credit to the general fund, unless otherwise provided in chapter 611A or other law, in the manner and at the times prescribed by the state treasurer, but not less often than once each month. If the defendant or probationer is located after forfeited bail proceeds have been forwarded to the state treasurer, the state treasurer shall reimburse the county, on request, for extradition, transportation, or other costs necessary to return the defendant or probationer to the jurisdiction where the bail was posted, in an amount not more than the amount of forfeited bail. All other money must be deposited in the county general fund unless otherwise provided by law. The court administrator of district court shall not retain any additional compensation, per diem or other emolument for services as court administrator of district court, but may receive and retain mileage and expense allowances as prescribed by law.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment and applies to appearances or prosecutions in criminal cases pending on, or instituted on or after, that date.

ARTICLE 12

BONDING AND APPROPRIATIONS

Section 1. [BOND SALE; APPROPRIATION FOR CAPITAL IMPROVEMENT.]

Subdivision 1. [APPROPRIATION; BOND SALE.] (a) $..... is appropriated from the state bond proceeds fund to the department of administration to construct and remodel space at the Minnesota correctional facility-Red Wing to provide a secure unit for the confinement of adjudicated juvenile delinquents who present a danger to the public safety.

(b) To provide the money appropriated by this section from the state bond proceeds fund, the commissioner of finance, on request of the governor, shall sell and issue bonds in an amount up to $..... in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [DEBT SERVICE.] The commissioner of finance shall schedule the sale of state general obligation bonds authorized to be issued under this section so that, during the fiscal year ending June 30, 1993, no more than $..... will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on them, in addition to limits in other law placed on debt service on state general obligation bonds for the biennium or either fiscal year of it. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 2. [APPROPRIATIONS; DEPARTMENT OF CORRECTIONS.]

(a) $..... is appropriated from the general fund to the commissioner of corrections for the fiscal year ending June 30, 1993, to be used for the following purposes:

(1) $..... shall be used to establish and operate a secure unit for dangerous juvenile offenders at the Minnesota correctional facility-Red Wing; and

(2) $..... shall be used to establish and expand juvenile sex offender treatment programs within state juvenile correctional facilities. One of these treatment programs shall be located in a secure unit at a state juvenile correctional facility.

(b) $..... is appropriated from the general fund to the commis-

sioner of corrections for the fiscal year ending June 30, 1993, for development of standards for electronic monitoring devices used to protect victims of domestic abuse.

Sec. 3. [APPROPRIATION; POST BOARD.]

$..... is appropriated from the peace officer training account in the special revenue fund to the peace officers standards and training board.

Sec. 4. [APPROPRIATIONS; DEPARTMENT OF HUMAN SERVICES.]

(a) $..... is appropriated from the general fund to the commissioner of human services for the fiscal year ending June 30, 1993, to provide a statewide administration grant under article 6, section 1.

(b) $..... is appropriated from the general fund to the commissioner of human services for the fiscal year ending June 30, 1993, for the two statewide demonstration projects authorized by article 6, section 1.

Sec. 5. [APPROPRIATION; SUPREME COURT.]

$..... is appropriated to the supreme court for victim-offender mediation programs to be available until June 30, 1993."

Delete the title and insert:

"A bill for an act relating to crime; increasing penalties for repeat sex offenders; providing for life imprisonment for certain repeat sex offenders; providing for life imprisonment without parole for certain persons convicted of first degree murder; increasing penalties for other violent crimes and crimes committed against children; increasing supervision of sex offenders; eliminating the "good time" reduction in prison sentences; allowing the extension of prison terms for disciplinary violations in prison; authorizing the imposition of fees for local correctional services on offenders; requiring the imposition of minimum fines on convicted offenders; requiring certain convicted offenders to submit to HIV testing; expanding certain crime victim rights; providing programs for victim-offender mediation; enhancing protection of domestic abuse victims; authorizing secure confinement of dangerous juvenile offenders; creating a presumption in favor of joint trials for felony defendants; creating a civil cause of action for minors used in a sexual performance; authorizing the issuance of state bonds to provide a secure unit for dangerous juvenile offenders at the Red Wing correctional facility; appropriating money; amending Minnesota Statutes 1990, sections 13.87, subdivision 2; 135A.15; 241.67, subdivisions 3, 6, and by adding a subdivision; 242.19, subdivision 2; 242.195, subdivision 1;

243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 259.11; 260.155, subdivision 1, and by adding a subdivision; 260.181, by adding a subdivision; 260.185, subdivisions 1 and 4; 260.311, by adding a subdivision; 270A.03, subdivision 5; 332.51, subdivisions 1 and 5; 401.02, subdivision 4; 485.018, subdivision 5; 518B.01, subdivision 13; 546.27, subdivision 1; 595.02, subdivision 4; 609.02, by adding a subdivision; 609.10; 609.101, by adding a subdivision; 609.115, subdivision 1a; 609.125; 609.135, subdivision 5, and by adding subdivisions; 609.1352, subdivision 5; 609.152, subdivisions 2 and 3; 609.184, subdivision 2; 609.19; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.322; 609.323; 609.342; 609.343; 609.344, subdivisions 1 and 3; 609.345, subdivisions 1 and 3; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.3471; 609.378, subdivision 1; 609.605, by adding a subdivision; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 626.861, subdivision 3; 629.72, by adding a subdivision; 630.36, subdivision 1, and by adding a subdivision; and 631.035; Minnesota Statutes 1991 Supplement, sections 8.15; 243.166, subdivisions 1, 2, and 3; 244.05, subdivision 6; 244.12, subdivision 3; 518B.01, subdivisions 3a and 14; 609.135, subdivision 2; and 626.861, subdivisions 1 and 4; Laws 1991, chapter 232, section 5; proposing coding for new law in Minnesota Statutes, chapters 62A; 169; 244; 256F; 609; 611A; 617; and 629."

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

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 1941, A bill for an act relating to children; establishing a general preference for adoption by relatives; amending Minnesota Statutes 1990, section 259.28, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 257.071, subdivision 1, is amended to read:

Subdivision 1. [PLACEMENT; PLAN.] (a) If a social service agency has good cause to believe that a child may be in need of temporary placement, the agency shall orally and in writing inform the child and the child's parents or guardian of the placement

prevention and family reunification services available under section 256F.07.

(b) If a child is placed in a residential facility by court order, the social service agency shall determine the child's medical history and contact the health care professionals who have been responsible for the child's care to determine the treatment plans necessary for inclusion in the child's case plan.

(c) A case plan shall be prepared within 30 days after any child is placed in a residential facility by court order or by the voluntary release of the child by the parent or parents.

For purposes of this section, a residential facility means any group home, family foster home or other publicly supported out-of-home residential facility, including any out-of-home residential facility under contract with the state, county or other political subdivision, or any agency thereof, to provide those services.

For the purposes of this section, a case plan means a written document which is ordered by the court or which is prepared by the social service agency responsible for the residential facility placement and is signed by the parent or parents, or other custodian, of the child, the child's legal guardian, the social service agency responsible for the residential facility placement, and, if possible, the child. The document shall be explained by the agency to all persons involved in its implementation, including the child who has signed the document, and shall set forth:

(1) The specific reasons for the placement of the child in a residential facility, including a description of the problems or conditions in the home of the parent or parents which necessitated removal of the child from home;

(2) The specific actions to be taken by the parent or parents of the child to eliminate or correct the problems or conditions identified in clause (1), and the time period during which the actions are to be taken;

(3) The financial responsibilities and obligations, if any, of the parents for the support of the child during the period the child is in the residential facility;

(4) The visitation rights and obligations of the parent or parents during the period the child is in the residential facility;

(5) The social and other supportive services to be provided to the parent or parents of the child, the child, and the residential facility during the period the child is in the residential facility;

(6) The date on which the child is expected to be returned to the home of the parent or parents;

(7) The nature of the effort to be made by the social service agency responsible for the placement to reunite the family; ~~and~~

(8) Notice to the parent or parents that placement of the child in foster care may result in termination of parental rights but only after notice and a hearing as provided in chapter 260;

(9) When the child is likely to remain in foster care until the child reaches age 18 or is emancipated or discharged to independent living by court order or when otherwise appropriate, for a child age 16 or older, the case plan must also include a written description of the programs and services which will help the child prepare for the transition from foster care to independent living; and

(10) When a child is placed in a home of a different culture or heritage than the child, the case plan must include special services to be provided to assure that the child and the family understand, value, and respect the child's culture and heritage.

The parent or parents and the child each shall have the right to legal counsel in the preparation of the case plan and shall be informed of the right at the time of placement of the child. The child shall also have the right to a guardian ad litem. If unable to employ counsel from their own resources, the court shall appoint counsel upon the request of the parent or parents or the child or the child's legal guardian. The parent or parents may also receive assistance from any person or social service agency in preparation of the case plan.

After the plan has been agreed upon by the parties involved, the foster parents shall be fully informed of the provisions of the case plan.

Sec. 2. Minnesota Statutes 1990, section 257.071, is amended by adding a subdivision to read:

Subd. 2a. [PERMANENCE.] A child placed in a foster family home may not be removed to another foster family home in the absence of good cause. If the child has been placed outside the home for more than four months, the judge ordering removal of the child from the home must make written findings regarding why a new placement is in the best interests of a child.

Sec. 3. Minnesota Statutes 1990, section 257.072, subdivision 7, is amended to read:

Subd. 7. [DUTIES OF CHILD-PLACING AGENCIES.] Each authorized child-placing agency must:

(1) develop and follow procedures for implementing the order of preference prescribed by section 260.181, subdivision 3, and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923;

(a) In implementing the order of preference, the agency shall notify the parents and the child, if the child is at least 12 years old, of the placement preference in section 260.181, subdivision 3, and that the placement preference will be followed unless the parent of the child, if the child is at least 12 years old, explicitly requests that it not be followed. An authorized child-placing agency may disclose private or confidential data, as defined in section 13.01, to relatives of the child for the purpose of locating a suitable placement. The agency shall disclose only data that is necessary to facilitate implementing the preference. If a parent makes an explicit request that the relative preference not be followed, the agency shall bring the matter to the attention of the court to determine whether the parent's request is consistent with the best interests of the child, and the agency shall not contact relatives unless ordered to do so by the juvenile court; and

(b) In implementing the order of preference, the authorized child-placing agency shall develop written standards for determining the suitability of proposed placements. The standards need not meet all requirements for foster care licensing, but must ensure that the safety, health, and welfare of the child is safeguarded. In the case of an Indian child, the standards to be applied must be the prevailing social and cultural standards of the Indian child's community, and the agency shall defer to the judgment of a licensed child-placing agency administered by a tribe as to the suitability of a particular home when the tribe has intervened pursuant to the Indian Child Welfare Act or contests the placement in the juvenile court;

(2) have a written plan for recruiting minority adoptive and foster families. The plan must include (a) strategies for using existing resources in minority communities, (b) use of minority outreach staff wherever possible, (c) use of minority foster homes for placements after birth and before adoption, and (d) other techniques as appropriate;

(3) have a written plan for training adoptive and foster families of minority children;

(4) if located in an area with a significant minority population, have a written plan for employing minority social workers in adoption and foster care. The plan must include staffing goals and objectives; ~~and~~

(5) ensure that adoption and foster care workers attend training offered or approved by the department of human services regarding cultural diversity and the needs of special needs children; and

(6) develop and implement procedures for implementing the requirements of the Indian Child Welfare Act and the Minnesota Indian family preservation act.

Sec. 4. Minnesota Statutes 1990, section 257.072, subdivision 8, is amended to read:

Subd. 8. [REPORTING REQUIREMENTS.] Each authorized child-placing agency shall provide to the commissioner of human services all data needed by the commissioner for the report required by section 257.0725, including data on the number of children of minority racial or ethnic heritage receiving services, data on the number of adoption and foster care workers attending training regarding cultural diversity and the needs of special needs children, and data on the training provider. The agency shall provide the data within 60 days of the end of the six-month period for which the data is applicable.

Sec. 5. Minnesota Statutes 1990, section 257.0725, is amended to read:

257.0725 [SEMIANNUAL REPORT.]

The commissioner of human services shall publish a semiannual report on children in out-of-home placement. The report shall include, by county and statewide, information on legal status, living arrangement, age, sex, race, accumulated length of time in placement, reason for most recent placement, race of family with whom placed, number of families from the child's own culture in the placement pool during the period for which data is provided, and other demographic information deemed appropriate on all children in out-of-home placement. The report shall also include the number of qualified minority professional staff working in the agency, the number of staff who have received the training required in section 257.072, subdivision 7, and data on the training provider. The commissioner shall provide the required data for children who entered placement during the previous quarter and for children who are in placement at the end of the quarter. Out-of-home placement includes placement in any facility by an authorized child-placing agency. By December 1, 1989, and by December 1 of each successive year, the commissioner shall publish a report covering the first six months of the calendar year. By June 1, 1990, and by June 1 of each successive year, the commissioner shall publish a report covering the last six months of the calendar year.

Sec. 6. Minnesota Statutes 1991 Supplement, section 257.076, is amended by adding a subdivision to read:

Subd. 8. [HISPANIC.] "Hispanic" means a person whose heritage or national origins are traced to Argentina, Bolivia, Brazil, Colombia, Costa Rica, Cuba, Chile, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Portugal, Puerto Rico, Uruguay, Spain, or Venezuela.

Sec. 7. Minnesota Statutes 1990, section 257.59, subdivision 1, is amended to read:

Subdivision 1. [COURT JURISDICTION.] Except in Hennepin and Ramsey counties, the county court has jurisdiction of an action brought under sections 257.51 to 257.74. In Hennepin and Ramsey counties, the district court has jurisdiction of an action brought under sections 257.51 to 257.74. The action may be joined with an action for dissolution, annulment, legal separation, custody under chapter 518, or reciprocal enforcement of support. The action may also be joined with an action under section 260.131 by a local social service agency if action under this section is brought by an individual seeking to establish paternity.

Sec. 8. Minnesota Statutes 1990, section 259.255, is amended to read:

259.255 [PROTECTION OF HERITAGE OR BACKGROUND.]

The policy of the state of Minnesota is to ensure that the best interests of the child are met by requiring due consideration of the child's ~~minority~~ race or ~~minority~~ ethnic heritage in adoption placements. For purposes of intercountry adoptions, due consideration is deemed to have occurred if the appropriate authority in the child's country of birth has approved the placement of the child.

The authorized child placing agency shall give preference, in the absence of good cause to the contrary, to placing the child with (a) a relative or relatives of the child, or, if that would be detrimental to the child or a relative is not available, (b) a family with the same racial or ethnic heritage as the child, or, if that is not feasible, (c) a family of different racial or ethnic heritage from the child which is knowledgeable and appreciative of the child's racial or ethnic heritage.

If the child's genetic parent or parents explicitly request that the preference described in clause (a) or clauses (a) and (b) not be followed, the authorized child placing agency shall honor that request consistent with the best interests of the child.

If the child's genetic parent or parents express a preference for placing the child in an adoptive home of the same or a similar religious background to that of the genetic parent or parents, in following the preferences in clause (a) or (b), the agency shall place

the child with a family that also meets the genetic parent's religious preference. Only if no family is available that is described in clause (a) or (b) may the agency give preference to a family described in clause (c) that meets the parent's religious preference.

Sec. 9. Minnesota Statutes 1990, section 259.28, subdivision 2, is amended to read:

Subd. 2. [PROTECTION OF HERITAGE OR BACKGROUND.] The policy of the state of Minnesota is to ensure that the best interests of children are met by requiring due consideration of the child's ~~minority~~ race or ~~minority~~ ethnic heritage in adoption placements. For purposes of intercountry adoptions, due consideration is deemed to have occurred if the appropriate authority in the child's country of birth has approved the placement of the child.

~~In the adoption of a child of minority racial or minority ethnic heritage,~~ In reviewing adoptive placement, the court shall consider preference, and in determining appropriate adoption, the court shall give preference, in the absence of good cause to the contrary, to (a) a relative or relatives of the child, or, if that would be detrimental to the child or a relative is not available, to (b) a family with the same racial or ethnic heritage as the child, or if that is not feasible, to (c) a family of different racial or ethnic heritage from the child that is knowledgeable and appreciative of the child's racial or ethnic heritage.

If the child's genetic parent or parents explicitly request that the preference described in clause (a) or in clauses (a) and (b) not be followed, the court shall honor that request consistent with the best interests of the child.

If the child's genetic parent or parents express a preference for placing the child in an adoptive home of the same or a similar religious background to that of the genetic parent or parents, in following the preferences in clause (a) or (b), the court shall place the child with a family that also meets the genetic parent's religious preference. Only if no family is available as described in clause (a) or (b) may the court give preference to a family described in clause (c) that meets the parent's religious preference.

Sec. 10. Minnesota Statutes 1990, section 259.455, is amended to read:

259.455 [FAMILY RECRUITMENT.]

Each authorized child placing agency shall make special efforts to recruit an adoptive family from among the child's relatives, except as authorized in section 259.28, subdivision 2, and among families of the same ~~minority~~ racial or ~~minority~~ ethnic heritage. Special efforts

include contacting and working with community organizations and religious organizations, utilizing local media and other local resources, and conducting outreach activities. The agency may accept any gifts, grants, offers of services, and other contributions to use in making special recruitment efforts.

Sec. 11. Minnesota Statutes 1990, section 260.012, is amended to read:

260.012 [DUTY TO ENSURE PLACEMENT PREVENTION AND FAMILY REUNIFICATION; REASONABLE EFFORTS; NOTICE TO PARENTS OF PLACEMENT PREFERENCE; DETERMINATION OF CHILD'S RACE AND ETHNICITY; COMPLIANCE WITH PLACEMENT PREFERENCES AT ALL STAGES OF NONDELINQUENCY PROCEEDINGS.]

(a) If a child in need of protection or services is under the court's jurisdiction, the court shall ensure that reasonable efforts including culturally appropriate services by the social service agency are made to prevent placement or to eliminate the need for removal and to reunite the child with the child's family at the earliest possible time, consistent with the best interests, safety, and protection of the child. In the case of an Indian child, in proceedings under sections 260.172, 260.191, and 260.221 the juvenile court must make findings and conclusions consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901 et seq., as to the provision of active efforts. If a child is under the court's delinquency jurisdiction, it shall be the duty of the court to ensure that reasonable efforts are made to reunite the child with the child's family at the earliest possible time, consistent with the best interests of the child and the safety of the public.

(b) "Reasonable efforts" means the exercise of due diligence by the responsible social service agency to use appropriate and available services to meet the needs of the child and the child's family in order to prevent removal of the child from the child's family; or upon removal, services to eliminate the need for removal and reunite the family. Services may include those listed under section 256F.07, subdivision 3, and other appropriate services available in the community. The social service agency has the burden of demonstrating that it has made reasonable efforts.

(c) The juvenile court, in proceedings under sections 260.172, 260.191, and 260.221 shall make findings and conclusions as to the provision of reasonable efforts. When determining whether reasonable efforts have been made, the court shall consider whether services to the child and family were:

(1) relevant to the safety and protection of the child;

(2) adequate to meet the needs of the child and family;

(3) culturally appropriate;

(4) available and accessible;

(5) consistent and timely; and

(6) realistic under the circumstances.

(d) This section does not prevent out-of-home placement for treatment of a child with a mental disability when the child's diagnostic assessment or individual treatment plan indicates that appropriate and necessary treatment cannot be effectively provided outside of a residential or inpatient treatment program.

(e) In proceedings under section 260.172, 260.191, 260.192, or 260.221, the court shall notify the parents and the child, if the child is at least 12 years old, of the placement preference in section 260.181, subdivision 3, and that the placement preference will be followed unless the parent or the child, if the child is at least 12 years old, explicitly requests that it not be followed and the court finds that request consistent with the best interests of the child.

(f) If the federal Indian Child Welfare Act applies, the court shall also notify the parents of the placement preference stated in the federal Indian Child Welfare Act, that the preference will be followed, and that, where appropriate, the court shall consider the preference of the Indian child or parent.

(g) For purposes of ensuring compliance with section 260.181 in proceedings under section 260.172, 260.191, 260.192, or 260.221, the court shall ask the parent for information regarding the child's race or ethnicity. If a parent is not present for the proceedings, the court may order the responsible social service agency to conduct an inquiry of the child's relatives and community members for the purpose of identifying for the court the child's race or ethnicity. When the court has sufficient information upon which to make a finding, the court shall make a written finding as to the child's race and ethnicity. That finding shall identify the child's primary racial or ethnic community, but may also reflect the child's racial or ethnic diversity as appropriate. The requirements of this section are in addition to the court's duty to determine tribal affiliation under section 257.354, subdivision 2.

(h) A child placed under section 257.071, 260.172, 260.191, 260.192, or 260.221, or who has a guardian appointed under section 260.242, must be placed according to the preference stated in section 260.181, subdivision 3, or, if applicable, the federal Indian Child Welfare Act. The court shall review the efforts of the responsible social service agency to place the child according to the preference in section 260.181, subdivision 3. The agency shall provide written

documentation to the court regarding placement efforts. The court shall make findings regarding the sufficiency of those efforts at each stage of the court proceedings. If the court finds it in the best interests of the child, the court may also order the responsible social service agency to disclose necessary information to or make necessary inquiry of any person or agency that might be helpful in facilitating a placement according to the preference stated in section 260.181 or the federal Indian Child Welfare Act.

Sec. 12. Minnesota Statutes 1990, section 260.015, is amended by adding a subdivision to read:

Subd. 11a. [ADJUDICATED PARENT.] "Adjudicated parent" means:

(1) a person who has had paternity established under the parentage act, sections 257.51 to 257.74; or

(2) a person who was party to a proceeding under chapter 518 if the decree of dissolution of marriage found the child to be the issue of the marriage.

Sec. 13. Minnesota Statutes 1990, section 260.181, subdivision 3, is amended to read:

Subd. 3. [PROTECTION OF ~~RACIAL OR ETHNIC~~ HERITAGE, OR ~~RELIGIOUS AFFILIATION~~ BACKGROUND.] The policy of the state is to ensure that the best interests of children are met by requiring due consideration of the child's ~~minority~~ race or ~~minority~~ ethnic heritage in foster care placements.

The court, in transferring legal custody of any child or appointing a guardian for the child under the laws relating to juvenile courts, shall place the child, in the following order of preference, in the absence of good cause to the contrary, in the legal custody or guardianship of an individual who (a) is the child's relative, or if that would be detrimental to the child or a relative is not available, who (b) is of the same racial or ethnic heritage as the child, or if that is not possible, who (c) is knowledgeable and appreciative of the child's racial or ethnic heritage. The court may require the county welfare agency to continue efforts to find a guardian of the child's ~~minority~~ racial or ~~minority~~ ethnic heritage when such a guardian is not immediately available. For purposes of this subdivision, "relative" includes members of a child's extended family and important friends with whom the child has resided or had significant contact.

If the child's genetic parent or parents explicitly request that the preference described in clause (a) or in clauses (a) and (b) not be followed, the court shall honor that request consistent with the best interests of the child.

If the child's genetic parent or parents express a preference for placing the child in a foster or adoptive home of the same or a similar religious background to that of the genetic parent or parents, in following the preferences in clause (a) or (b), the court shall order placement of the child with an individual who meets the genetic parent's religious preference. Only if no individual is available who is described in clause (a) or (b) may the court give preference to an individual described in clause (c) who meets the parent's religious preference.

Sec. 14. Minnesota Statutes 1990, section 260.191, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITIONS.] (a) If the court finds that the child is in need of protection or services or neglected and in foster care, it shall enter an order consistent with section 260.181, subdivision 3, making any of the following dispositions of the case:

(1) place the child under the protective supervision of the county welfare board or child placing agency in the child's own home under conditions prescribed by the court directed to the correction of the child's need for protection or services;

(2) transfer legal custody to one of the following:

(i) a child placing agency; ~~or~~

(ii) the county welfare board~~.~~;

(iii) a previously noncustodial parent, or person other than a parent, on a permanent or temporary basis, if a petition or motion is filed under section 518.156, giving notice to all parties to any prior custody determinations, provided that pending proceedings shall be joined with this proceeding and all issues shall be determined by this court; or

(iv) a man presumed to be the biological father or alleged or alleging himself to be the father, on a permanent or temporary basis, if a petition or motion is filed under section 518.156, giving notice to all parties to any prior custody determinations, and if an action is filed under section 257.57 for determination of paternity. Proceedings under section 518.156 and the action under section 257.57 shall be joined with a proceeding under this clause and all issues shall be determined by this court, which may reserve or waive payment of all or a portion of the reasonable expenses of the mother's pregnancy and confinement, prior support, and reimbursement for expenditure of public assistance, consistent with the award of custody and the child's best interests.

(A) Any order issued under this section shall provide for visitation

between the parent and child, and set any conditions the court deems reasonable regarding visitation, consistent with the best interests of the child.

(B) At the request of the proposed custodian the court shall make an order requiring that the cost of the child's care be covered by an order for child support payable by the child's parent and established pursuant to section 518.551, subdivision 5.

In placing a child whose custody has been transferred under this paragraph, the agency and board shall follow the order of preference stated in section 260.181, subdivision 3, or, if applicable, the federal Indian Child Welfare Act, except that the preference does not apply in a determination as to custody between parents;

(3) if the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails or is unable to provide this treatment or care, the court may order it provided. The court shall not transfer legal custody of the child for the purpose of obtaining special treatment or care solely because the parent is unable to provide the treatment or care. If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or

(4) if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate, if the county board, after consultation with the court, has specifically authorized this dispositional alternative for a child.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child; or with the consent of the commissioner of corrections, place the child in a group foster care facility which is under the commissioner's management and supervision;

(3) subject to the court's supervision, transfer legal custody of the child to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed to operate a residential program under sections 245A.01 to 245A.16; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to $100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child and of public safety that the child's driver's license be canceled, the court may recommend to the commissioner of public safety that the child's license be canceled for any period up to the child's 18th birthday. The commissioner is authorized to cancel the license without a hearing. At any time before the expiration of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize; or

(8) require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court.

Sec. 15. Minnesota Statutes 1990, section 260.191, subdivision 1a, is amended to read:

Subd. 1a. [WRITTEN FINDINGS.] Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) Why the best interests of the child are served by the disposition ordered;

(b) What alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case;

(c) ~~In the case of a child of minority racial or minority ethnic heritage,~~ How the court's disposition complies with the requirements of section 260.181, subdivision 3, relating to protection of heritage or background; and

(d) Whether reasonable efforts consistent with section 260.012 were made to prevent or eliminate the necessity of the child's removal and to reunify the family after removal. The court's findings must include a brief description of what preventive and reunification efforts were made and why further efforts could not have prevented or eliminated the necessity of removal.

If the court finds that the social services agency's preventive or reunification efforts have not been reasonable but that further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

Sec. 16. Minnesota Statutes 1990, section 260.221, subdivision 1, is amended to read:

Subdivision 1. [VOLUNTARY AND INVOLUNTARY.] The juvenile court may, upon petition, terminate all rights of a parent to a child or may order any other long-term disposition provided for in section 260.235 in the following cases:

(a) With the written consent of a parent who for good cause desires to terminate parental rights; or

(b) If it finds that one or more of the following conditions exist:

(1) That the parent has abandoned the child. Abandonment is presumed when:

(i) the parent has had no contact or merely incidental contact with the child for six months in the case of a child under six years of age, or for 12 months in the case of a child ages six to 11; and

(ii) the social service agency has made reasonable efforts to facilitate contact, unless the parent establishes that an extreme financial or physical hardship or treatment for mental disability or chemical dependency or other good cause prevented the parent from making contact with the child. This presumption does not apply to children whose custody has been determined under chapter 257 or 518. The court is not prohibited from finding abandonment in the absence of this presumption; or

(2) That the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not

limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental, or emotional health and development, if the parent is physically and financially able, and reasonable efforts by the social service agency have failed to correct the conditions that formed the basis of the petition; or

(3) That a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth; or

(4) That a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be of a duration or nature that renders the parent unable, for the reasonably foreseeable future, to care appropriately for the ongoing physical, mental, or emotional needs of the child. It is presumed that a parent is palpably unfit to be a party to the parent and child relationship upon a showing that:

(i) the child was adjudicated in need of protection or services due to circumstances described in section 260.015, subdivision 2a, clause (1), (2), (3), (5), or (8); and

(ii) within the three-year period immediately prior to that adjudication, the parent's parental rights to one or more other children were involuntarily terminated under clause (1), (2), (4), or (7) of this paragraph, or under clause (5) of this paragraph if the child was initially determined to be in need of protection or services due to circumstances described in section 260.015, subdivision 2a, clause (1), (2), (3), (5), or (8); or

(5) That following upon a determination of neglect or dependency, or of a child's need for protection or services, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the determination. It is presumed that reasonable efforts under this clause have failed upon a showing that:

(i) a child under the age of 12 has resided out of the parental home under court order for more than one year following an adjudication of dependency, neglect, need for protection or services under section 260.015, subdivision 2a, clause (1), (2), (6), (8), or (9), or neglected and in foster care, and an order for disposition under section 260.191, including adoption of the case plan required by section 257.071;

(ii) conditions leading to the determination will not be corrected within the reasonably foreseeable future; and

(iii) reasonable efforts have been made by the social service agency to rehabilitate the parent and reunite the family.

This clause does not prohibit the termination of parental rights prior to one year after a child has been placed out of the home.

It is also presumed that reasonable efforts have failed under this clause upon a showing that:

(i) the parent has been diagnosed as chemically dependent by a professional certified to make the diagnosis;

(ii) the parent has been required by a case plan to participate in a chemical dependency treatment program;

(iii) the treatment programs offered to the parent were culturally, linguistically, and clinically appropriate;

(iv) the parent has either failed two or more times to successfully complete a treatment program or has refused at two or more separate meetings with a caseworker to participate in a treatment program; and

(v) the parent continues to abuse chemicals.

Provided, that this presumption applies only to parents required by a case plan to participate in a chemical dependency treatment program on or after July 1, 1990; or

(6) That the parent has been convicted of causing the death of another of the parent's children; or

(7) That in the case of a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born the person is not entitled to notice of an adoption hearing under section 259.26 and either the person has not filed a notice of intent to retain parental rights under section 259.261 or that the notice has been successfully challenged; or

(8) That the child is neglected and in foster care.

In an action involving an American Indian child, sections 257.35 to 257.3579 and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923, control to the extent that the provisions of this section are inconsistent with those laws.

Sec. 17. Minnesota Statutes 1990, section 260.235, is amended to read:

260.235 [~~DISPOSITION~~ DISPOSITIONS; PARENTAL RIGHTS NOT TERMINATED.]

Subdivision 1. [CHILD IN NEED OF PROTECTION OR SERVICES OR NEGLECTED AND IN FOSTER CARE.] If, after a hearing, the court does not terminate parental rights but determines that the child is in need of protection or services, or that the child is neglected and in foster care, the court may find the child is in need of protection or services or neglected and in foster care and may enter an order in accordance with the provisions of section 260.191.

Subd. 2. [OTHER LONG-TERM DISPOSITIONS.] If any condition in section 260.221, subdivision 1, has been proven, but the court concludes that termination of parental rights is not in the best interests of the child, the court may order the following long-term dispositions consistent with the preferences of section 260.181, subdivision 3:

(a) transfer of custody to a relative within the definition of section 260.181, subdivision 3, upon making findings regarding the best interests of the child under section 257.025;

(b) permanent foster care in the home of an individual to be named by the court. Permanent foster care may be in the home of a relative who meets licensing standards or in a licensed foster home of persons who are not related to the child. If this disposition is ordered, the proposed foster care provider shall appear in court and indicate to the court an intention to provide foster care for the child until the child's majority by executing a permanent placement agreement among the foster parent, responsible social service agency, child, and guardian ad litem; or

(c) permanent custody pursuant to section 260.191, subdivision 1, paragraph (a), clause (2), item (iii) or (iv).

Subd. 3. [NOTICE OF FINANCIAL IMPLICATIONS.] An order may not be issued under this section unless the court finds that the individual providing the long-term placement of the child has been advised of any financial consequences of the court's order.

Subd. 4. [VISITATION.] Any order issued under this section must provide for visitation between the child and the child's parent and set any conditions the court deems reasonable regarding visitation.

Subd. 5. [BEST INTERESTS.] In making an order under this section, the best interests of the child are paramount. Best interests

must be determined consistent with sections 257.35 to 257.3579, and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923. The court's order must also follow the placement preference stated in section 260.181 and ensure that the best interests of the child are met by giving due consideration to the child's race or ethnicity in any long-term disposition made.

Subd. 6. [REVIEW OF LONG-TERM FOSTER CARE ORDER.] After the court has issued an order for long-term foster care pursuant to subdivision 2, paragraph (b), the order need not be reviewed by the court, except upon request of a party to the juvenile court proceeding upon a showing by affidavit of a substantial change in the child's circumstances such that the previous order of the court is no longer in the child's best interests, or pursuant to requirements of Public Law Number 96-272. The court continues to have jurisdiction to review its order until the child reaches age 19, notwithstanding anything in section 260.191 to the contrary. The agency shall conduct an administrative review of the case plan every two years when the court has issued an order for long-term care.

Subd. 7. [CESSATION OF REASONABLE EFFORTS.] Upon the entry of an order under this section, the responsible social service agency need not make any further efforts pursuant to section 260.012. In the case of an Indian child, cessation of active efforts may occur only when the court finds the mandates of the Indian Child Welfare Act have been met.

Sec. 18. Minnesota Statutes 1990, section 260.40, is amended to read:

260.40 [AGE LIMIT FOR BENEFITS TO CHILDREN.]

For purposes of any program for foster children and for transitional and independent living services for youth or children under state guardianship for which benefits are made available on June 1, 1973, unless specifically provided therein, the age of majority shall be 21 years of age.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 18 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to human services; changing certain provisions for support and placement of children; amending Minnesota Statutes 1990, sections 257.071, subdivision 1, and by adding a subdivision; 257.072, subdivisions 7 and 8; 257.0725; 257.59, subdivision 1; 259.255; 259.28, subdivision 2; 259.455; 260.012; 260.015, by adding a subdivision; 260.181, subdivision 3; 260.191, subdivi-

sions 1 and 1a; 260.221, subdivision 1; 260.235; and 260.40; and Minnesota Statutes 1991 Supplement, section 257.076, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 1982, A bill for an act relating to health; establishing a children's health care mediator; providing for reporting by parents relying on religious or philosophical healing practices and investigation and intervention in cases involving a serious health condition; modifying provisions dealing with children in need of protection or services and termination of parental rights; amending Minnesota Statutes 1990, sections 144.651, by adding a subdivision; 260.191, subdivision 1; 260.221, by adding a subdivision; and 626.556, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 145A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 144.651, is amended by adding a subdivision to read:

Subd. 33. [RESPECT FOR RELIGIOUS OR PHILOSOPHICAL HEALING PRACTICES.] Patients and residents shall have the right to use religious or philosophical healing practices, as long as they are acting in good faith and the healing practice does not interfere with the provision of medical treatment to other patients.

Sec. 2. [145A.20] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 3 to 5.

Subd. 2. [LIFE-THREATENING CONDITION.] "Life-threatening condition" means a condition that presents a serious danger to a child's life.

Subd. 3. [MEDIATOR.] "Mediator" means the children's health care mediator under section 3.

Subd. 4. [PARENT.] "Parent" means a custodial parent or legal guardian.

Subd. 5. [RELIGIOUS OR PHILOSOPHICAL HEALING PRACTICE.] "Religious or philosophical healing practice" means the good faith selection and primary dependence upon spiritual means or prayer or a philosophical system for treatment or care of that disease or remedial care of a child as part of an organized religious or philosophical group or community.

Subd. 6. [SERIOUS DISABILITY OR DISFIGUREMENT.] "Serious disability" or "disfigurement" means permanent or protracted loss or impairment of the function of a bodily member or organ or permanent disfigurement.

Sec. 3. [145A.21] [CHILDREN'S HEALTH CARE MEDIATOR.]

Subdivision 1. [CREATION.] A position of children's health care mediator is created in the department of health. The mediator's role is both to facilitate the provision of medical treatment where the life of a child is threatened or a child faces a significant risk of a serious disability or disfigurement and to ensure that latitude for parental choices in the health care of their children is not unnecessarily compromised. The commissioner of health shall appoint a children's health care mediator to exercise the powers and duties under sections 3 to 5 in a manner consistent with the mediator's role. The commissioner or the mediator may appoint one or more persons to serve as deputy mediators to perform any of the functions of the mediator. To the extent possible, the commissioner and the mediator shall use existing resources and personnel within boards of health and existing community health services to implement sections 3 to 5.

Subd. 2. [POWERS AND DUTIES.] The mediator shall:

(1) regularly meet with designated representatives and other members of a religious or philosophical community affected by this section in order to be familiar with their beliefs and practices;

(2) receive, answer, and investigate reports from parents under section 4;

(3) serve as an intermediary between parents who use religious or philosophical healing practices and traditional medical providers and provide advice and information to parents in cases where traditional medical treatment may be required for their children;

(4) encourage and facilitate the provision of appropriate medical care when emergency medical services are needed;

(5) establish operating principles governing reports, investigations, intervention, and treatment under sections 3 to 5;

(6) provide materials that list or discuss symptoms of life-threatening conditions or a serious disability or disfigurement and the circumstances under which traditional medical treatment may be required;

(7) provide advice and information to traditional medical providers regarding parental and family rights in children's health care cases; and

(8) report physical or sexual abuse or neglect of a child as required under section 626.556.

Subd. 3. [QUALIFICATIONS.] The mediator must have an understanding of and sensitivity to religious and philosophical healing practices and beliefs. The mediator must be a licensed health care professional with sufficient training to be able to identify and assess a child's symptoms for purposes of sections 3 to 5.

Subd. 4. [MEDIATOR DATA.] Data collected and maintained by the mediator are private data on individuals as defined in section 13.02, subdivision 12, and may not be disclosed except as necessary for the purposes of sections 3 to 5 or as otherwise authorized by law.

Subd. 5. [IMMUNITY FROM LIABILITY.] The mediator, a deputy mediator, or the state is not liable for any damages resulting from any acts or omissions by the person in performing the duties of the position unless the person acts in a willful and wanton or reckless manner.

Sec. 4. [145A.22] [REPORTING BY PARENT.]

Subdivision 1. [MEDIATOR CONTACT; ASSESSMENT.] A parent who uses religious or philosophical healing practices shall contact the mediator if the parent believes or has reason to believe that the child is in a life-threatening condition or faces a significant risk of serious disability or disfigurement. The mediator, with appropriate medical input, shall assess the child's symptoms to determine if the child is in a life-threatening condition or faces a significant risk of serious disability or disfigurement.

Subd. 2. [POSTASSESSMENT PROCEDURES.] If the mediator, with appropriate medical input, determines that the child is not in a life-threatening condition or does not face a significant risk of serious disability or disfigurement, the mediator may so inform the parent and provide the parent with any other information that may be helpful to the parent's specific situation. If the mediator is unable to make a definite determination regarding the child's condition, the

mediator shall continue, with appropriate medical input, to assess the child's situation until the mediator is able to conclude whether the condition is life-threatening or the child faces a significant risk of serious disability or disfigurement. If the mediator concludes that the condition is life-threatening or the child faces a significant risk of serious disability or disfigurement, the mediator shall inform the parents and proceed under section 5 for the provision of medical treatment.

Sec. 5. [145A.23] [PROVISION OF MEDICAL TREATMENT.]

Subdivision 1. [VOLUNTARY PROVISION OF MEDICAL TREATMENT.] If the parents of a child are willing to seek medical treatment following a determination under section 4, subdivision 2, the mediator shall assist the parents in obtaining treatment for the child as soon as possible.

Subd. 2. [INVOLUNTARY TREATMENT; DUTIES; FINANCIAL RESPONSIBILITY.] If the mediator has reason to believe that the child is in a life-threatening condition or faces a significant risk of serious disability or disfigurement, and the parent is unwilling to seek medical treatment, the mediator shall inform the parent that the mediator is required to ensure the provision of appropriate medical care. If emergency medical care or transportation to such care is necessary, in the mediator's opinion, the mediator shall obtain it without the parent's consent and without the necessity of seeking a court order. If continued medical care is necessary for the child after the emergency treatment, the mediator shall obtain an expedited court order to authorize the continued care. The mediator may, if the mediator deems it necessary, notify the local social service agency to commence appropriate legal proceedings under chapter 260.

A parent is responsible for the cost of the child's medical care provided under this section, in accordance with the provisions of section 260.251.

Subd. 3. [FAMILY INVOLVEMENT IN TREATMENT.] (a) In all cases where medical treatment is provided to a child whose parent relies on religious or philosophical healing practices, the parent and the child shall continue to be involved in decisions regarding treatment, as long as the parent acts in good faith and the healing practice does not interfere with treatment. In making medical treatment decisions, the medical provider shall consider:

(1) the preferences of the parent and the child, if the child has capacity to give informed consent; and

(2) the degree of likelihood that the proposed treatment for the child will be safe and effective and would, with significant probability, be life saving or avoid serious disability or disfigurement.

(b) Medical providers shall allow a parent to continue to use religious or philosophical healing practices while medical treatment is being provided, as long as the parent is acting in good faith and the healing practice does not interfere with medical treatment.

(c) This subdivision applies to all cases involving the voluntary or involuntary treatment of a child whose parent relies on religious or philosophical healing practices.

Sec. 6. Minnesota Statutes 1990, section 260.191, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITIONS.] (a) If the court finds that the child is in need of protection or services or neglected and in foster care, it shall enter an order making any of the following dispositions of the case:

(1) place the child under the protective supervision of the county welfare board or child placing agency in the child's own home under conditions prescribed by the court directed to the correction of the child's need for protection or services;

(2) transfer legal custody to one of the following:

(i) a child placing agency; or

(ii) the county welfare board.

In placing a child whose custody has been transferred under this paragraph, the agency and board shall follow the order of preference stated in section 260.181, subdivision 3;

(3) if the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails or is unable to provide this treatment or care, the court may order it provided. The court shall not transfer legal custody of the child for the purpose of obtaining special treatment or care solely because the parent is unable to provide the treatment or care. If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or

(4) if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate, if the county

board, after consultation with the court, has specifically authorized this dispositional alternative for a child.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child; or with the consent of the commissioner of corrections, place the child in a group foster care facility which is under the commissioner's management and supervision;

(3) subject to the court's supervision, transfer legal custody of the child to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed to operate a residential program under sections 245A.01 to 245A.16; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to $100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child and of public safety that the child's driver's license be canceled, the court may recommend to the commissioner of public safety that the child's license be canceled for any period up to the child's 18th birthday. The commissioner is authorized to cancel the license without a hearing. At any time before the expiration of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize; or

(8) require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court.

(c) In making a disposition in cases involving the physical or mental health of a child whose parents use religious or philosophical healing practices in lieu of medical care, the court shall consider the degree of likelihood that any proposed medical treatment for the child will be safe and effective and would, with significant probability, be life saving or avoid serious disability or disfigurement. The definitions in section 2 apply to this paragraph.

Sec. 7. Minnesota Statutes 1990, section 260.221, is amended by adding a subdivision to read:

Subd. 1a. [RELIGIOUS OR PHILOSOPHICAL HEALING PRACTICES.] Notwithstanding any contrary provision of subdivision 1, parental rights may not be terminated solely on the basis that the parent uses a religious or philosophical healing practice, as defined in section 2.

Sec. 8. Minnesota Statutes 1990, section 609.378, subdivision 1, is amended to read:

Subdivision 1. [PERSONS GUILTY OF NEGLECT OR ENDANGERMENT.] The following people are guilty of neglect or endangerment of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

(a) [NEGLECT.] (1) A parent, legal guardian, or caretaker who willfully deprives a child of necessary food, clothing, shelter, health care, or supervision appropriate to the child's age, when the parent, guardian, or caretaker is reasonably able to make the necessary provisions and the deprivation substantially harms the child's physical or emotional health is guilty of neglect of a child. If a parent, guardian, or caretaker responsible for the child's care in good faith selects and primarily depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, this treatment or care is "health care," for purposes of this clause.

However, a parent, guardian, or caretaker who:

(i) selects and depends primarily on spiritual means or prayer for treatment or care;

(ii) believes or has reason to believe that a child is in a life-threatening condition or faces a significant risk of serious disability or disfigurement; and

(iii) either willfully fails to contact the children's health care

mediator as provided in sections 2 to 5, or willfully interferes with the lawful exercise of authority by the mediator;

is depriving a child of necessary health care.

(2) A parent, legal guardian, or caretaker who knowingly permits the continuing physical or sexual abuse of a child is guilty of neglect of a child.

(b) [ENDANGERMENT.] A parent, legal guardian, or caretaker who endangers the child's person or health by intentionally causing or permitting a child to be placed in a situation likely to substantially harm the child's physical or mental health or cause the child's death is guilty of child endangerment. This paragraph does not prevent a parent, legal guardian, or caretaker from causing or permitting a child to engage in activities that are appropriate to the child's age, stage of development, and experience, or from selecting health care as defined in subdivision 1, paragraph (a).

Sec. 9. [609.3785] [INTERFERENCE WITH CHILDREN'S HEALTH CARE MEDIATOR.]

A person other than a parent, guardian, or caretaker who willfully interferes with the lawful exercise of authority by the children's health care mediator established pursuant to section 3 is guilty of a misdemeanor.

Sec. 10. Minnesota Statutes 1990, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY AND LOCAL LAW ENFORCEMENT AGENCY UPON RECEIPT OF A REPORT.] (a) If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately conduct an assessment and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. If the report alleges that a lack of medical care may cause serious danger to a child because the child's parent or guardian uses a religious or philosophical healing practice, as defined in section 2, in lieu of medical care, the local welfare agency shall immediately notify the children's health care mediator established under section 3. If the report alleges a violation of a criminal statute involving sexual abuse or physical abuse, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of its investigation. When necessary the local welfare agency shall seek authority to

remove the child from the custody of a parent, guardian, or adult with whom the child is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

(b) When a local agency receives a report or otherwise has information indicating that a child who is a client, as defined in section 245.91, has been the subject of physical abuse or neglect at an agency, facility, or program as defined in section 245.91, it shall, in addition to its other duties under this section, immediately inform the ombudsman established under sections 245.91 to 245.97.

(c) Authority of the local welfare agency responsible for assessing the child abuse report and of the local law enforcement agency for investigating the alleged abuse includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school or at any facility or other place where the alleged victim or other minors might be found and may take place outside the presence of the perpetrator or parent, legal custodian, guardian, or school official. Except as provided in this paragraph, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of the investigation or assessment that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota rules of procedure for juvenile courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under this paragraph, and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

(d) When the local welfare or local law enforcement agency determines that an interview should take place on school property, written notification of intent to interview the child on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the county welfare board or the chair's designee. The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the

interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded. Until that time, the local welfare or law enforcement agency shall be solely responsible for any disclosures regarding the nature of the assessment or investigation.

Except where the alleged perpetrator is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every effort must be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(e) Where the perpetrator or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the perpetrator or any person responsible for the child's care at reasonable places and times as specified by court order.

(f) Before making an order under paragraph (d), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

(g) The commissioner, the ombudsman for mental health and mental retardation, the local welfare agencies responsible for investigating reports, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical records, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglect-

ing a child, and to provide the facility with a copy of the report and the investigative findings.

Sec. 11. Minnesota Statutes 1990, section 626.556, subdivision 10e, is amended to read:

Subd. 10e. [DETERMINATIONS.] Upon the conclusion of every assessment or investigation it conducts, the local welfare agency shall make two determinations: first, whether maltreatment has occurred; and second, whether child protective services are needed.

(a) For the purposes of this subdivision, "maltreatment" means any of the following acts or omissions committed by a person responsible for the child's care:

(1) physical abuse as defined in subdivision 2, paragraph (d);

(2) neglect as defined in subdivision 2, paragraph (c);

(3) sexual abuse as defined in subdivision 2, paragraph (a); or

(4) mental injury as defined in subdivision 2, paragraph (k).

(b) For the purposes of this subdivision, a determination that child protective services are needed means that the local welfare agency has documented conditions during the assessment or investigation sufficient to cause a child protection worker, as defined in section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment if protective intervention is not provided and that the individuals responsible for the child's care have not taken or are not likely to take actions to protect the child from maltreatment or risk of maltreatment.

(c) This subdivision does not mean that maltreatment has occurred solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, in lieu of medical care. However, if lack of medical care may result in ~~imminent and~~ serious danger to the child's health, the local welfare agency may ensure that necessary medical services are provided to the child.

Sec. 12. [EFFECTIVE DATE.]

Section 8 is effective August 1, 1992, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to health; establishing a children's health care mediator; providing for reporting by parents relying on religious or philosophical healing practices and investigation and intervention in cases involving a serious health condition; modifying provisions dealing with children in need of protection or services and termination of parental rights; amending Minnesota Statutes 1990, sections 144.651, by adding a subdivision; 260.191, subdivision 1; 260.221, by adding a subdivision; 609.378, subdivision 1; and 626.556, subdivisions 10 and 10e; proposing coding for new law in Minnesota Statutes, chapters 145A; and 609."

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

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 2193, A bill for an act relating to children; providing for a recognition of parentage with the force and effect of a paternity adjudication; providing for preparation and distribution of a recognition form and educational materials for paternity; amending Minnesota Statutes 1990, sections 144.215, subdivision 3; 257.54; 257.541; 257.55, subdivision 1; 257.59, subdivision 1; 257.74, subdivision 1; and 518.156, subdivision 1; Minnesota Statutes 1991 Supplement, section 257.57, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 257.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 144.215, subdivision 3, is amended to read:

Subd. 3. [FATHER'S NAME; CHILD'S NAME.] In any case in which paternity of a child is determined by a court of competent jurisdiction, ~~or upon compliance with the provisions of section 257.55, subdivision 1, clause (e)~~ a declaration of parentage is executed under section 257.34, or a recognition of parentage is executed under section 7, the name of the father shall be entered on the birth certificate. If the order of the court declares the name of the child, it shall also be entered on the birth certificate. If the order of the court does not declare the name of the child, or there is no court order, then upon the request of both parents in writing, the surname of the child shall be that of the father.

Sec. 2. Minnesota Statutes 1990, section 257.54, is amended to read:

257.54 [HOW PARENT AND CHILD RELATIONSHIP ESTABLISHED.]

The parent and child relationship between a child and

(a) the biological mother may be established by proof of her having given birth to the child, or under sections 257.51 to 257.74 or section 7;

(b) the biological father may be established under sections 257.51 to 257.74 or section 7; or

(c) an adoptive parent may be established by proof of adoption.

Sec. 3. Minnesota Statutes 1990, section 257.541, is amended to read:

257.541 [CUSTODY AND VISITATION OF CHILDREN BORN OUTSIDE OF MARRIAGE.]

Subdivision 1. [MOTHER'S RIGHT TO CUSTODY.] The biological mother of a child born to a mother who was not married to the child's father neither when the child was born nor when the child was conceived has sole custody of the child until paternity has been established under sections 257.51 to 257.74, or until custody is determined in a separate proceeding under section 518.156.

Subd. 2. [FATHER'S RIGHT TO VISITATION AND CUSTODY.] (a) If paternity has been acknowledged under section 257.34 and paternity has been established under sections 257.51 to 257.74, the father's rights of visitation or custody are determined under sections 518.17 and 518.175.

(b) If paternity has not been acknowledged under section 257.34 and paternity has been established under sections 257.51 to 257.74, the biological father may petition for rights of visitation or custody in the paternity proceeding or in a separate proceeding under section 518.156.

Subd. 3. [FATHER'S RIGHT TO VISITATION AND CUSTODY; RECOGNITION OF PATERNITY.] If paternity has been recognized under section 7, the father may petition for rights of visitation or custody in an independent action under section 518.156. The proceeding must be treated as an initial determination of custody under section 518.17, if the petition is brought within six months of the birth of the child, and the provisions of chapter 518 apply with

respect to the granting of custody and visitation. These proceedings may not be combined with any proceeding under chapter 518B.

Sec. 4. Minnesota Statutes 1990, section 257.55, subdivision 1, is amended to read:

Subdivision 1. [PRESUMPTION.] A man is presumed to be the biological father of a child if:

(a) He and the child's biological mother are or have been married to each other and the child is born during the marriage, or within 280 days after the marriage is terminated by death, annulment, declaration of invalidity, dissolution, or divorce, or after a decree of legal separation is entered by a court;

(b) Before the child's birth, he and the child's biological mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) if the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 280 days after its termination by death, annulment, declaration of invalidity, dissolution or divorce; or

(2) if the attempted marriage is invalid without a court order, the child is born within 280 days after the termination of cohabitation;

(c) After the child's birth, he and the child's biological mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) he has acknowledged his paternity of the child in writing filed with the state registrar of vital statistics;

(2) with his consent, he is named as the child's father on the child's birth certificate; or

(3) he is obligated to support the child under a written voluntary promise or by court order;

(d) While the child is under the age of majority, he receives the child into his home and openly holds out the child as his biological child; ~~or~~

(e) He and the child's biological mother acknowledge his paternity of the child in a writing signed by both of them under section 257.34 and filed with the state registrar of vital statistics. If another man is

presumed under this clause to be the child's father, acknowledgment may be effected only with the written consent of the presumed father or after the presumption has been rebutted.;

(f) Evidence of statistical probability of paternity based on blood testing establishes ~~that~~ the likelihood that ~~the man~~ he is the father of the child, calculated with a prior probability of no more than 0.5 (50 percent), is 99 percent or greater.;

(g) He and the child's biological mother have executed a recognition of parentage in accordance with section 7, and another man is presumed to be the father under this subdivision; or

(h) He and the child's biological mother have executed a recognition of parentage in accordance with section 8, and another man and the child's mother have executed a recognition of parentage in accordance with section 7.

Sec. 5. Minnesota Statutes 1991 Supplement, section 257.57, subdivision 2, is amended to read:

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

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

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, clause (e) or (g), only if the action is brought within three years after the date of the execution of the declaration or recognition of parentage; or

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

Sec. 6. Minnesota Statutes 1990, section 257.74, subdivision 1, is amended to read:

Subdivision 1. If a mother relinquishes or proposes to relinquish for adoption a child who has

(a) a presumed father under section 257.55, subdivision 1,

(b) a father whose relationship to the child has been determined by a court or established under section 7, or

(c) a father as to whom the child is a legitimate child under prior law of this state or under the law of another jurisdiction, the father shall be given notice of the adoption proceeding as provided in section 259.26.

Sec. 7. [257.75] [RECOGNITION OF PARENTAGE.]

Subdivision 1. [RECOGNITION BY PARENTS.] The mother and father of a child born to a mother who was not married to the child's father nor to any other man when the child was conceived nor when the child was born may, in a writing signed by both of them before a notary public, and filed with the state registrar of vital statistics, state and acknowledge under oath that they are the biological parents of the child and wish to be recognized as the biological parents. The recognition must be in the form prepared by the commissioner of human services under subdivision 5.

Subd. 2. [REVOCATION OF RECOGNITION.] A recognition may be revoked in a writing signed by the mother or father before a notary public and filed with the state registrar of vital statistics within 30 days after the recognition is executed. Upon receipt of a revocation of the recognition of parentage, the state registrar of vital statistics shall forward a copy of the revocation to the nonrevoking parent.

Subd. 3. [EFFECT OF RECOGNITION.] Subject to subdivision 2, and section 257.55, subdivision 1, paragraphs (g) and (h), the recognition has the force and effect of a judgment or order determining the existence of the parent and child relationship under section 257.66. If the conditions in section 257.55, subdivision 1, paragraph (g) or (h), exist, the recognition creates only a presumption of paternity for purposes of sections 257.51 to 257.74. Until an order is entered granting custody to another, sole custody is in the mother. The recognition:

(1) is a basis for bringing an action to award custody or visitation rights to either parent, establishing a child support obligation, or ordering a contribution by a parent under section 256.87;

(2) is determinative for all other purposes related to the existence of the parent and child relationship; and

(3) is entitled to full faith and credit in other jurisdictions.

Subd. 4. [ACTION TO VACATE RECOGNITION.] Within one year following execution of a recognition under subdivision 1, the mother or father may bring an action to vacate the recognition on the grounds and conditions contained in section 518.145, subdivision 2. If the court finds grounds for vacating the recognition, the court shall order the child, mother, and father to submit to blood tests. If the results of the blood test establish that the man who executed the recognition is not the father, the court shall vacate the recognition.

Subd. 5. [RECOGNITION FORM.] The commissioner of human services shall prepare a form for the recognition of parentage under this section. In preparing the form, the commissioner shall consult with the individuals specified in subdivision 6. The recognition form must be drafted so that the force and effect of the recognition and the benefits and responsibilities of establishing paternity are clear and understandable. The form must include a notice regarding the finality of a recognition and the revocation procedure under subdivision 2. The form must include a provision for each parent to verify that the parent has read or viewed the educational materials prepared by the commissioner of human services describing the recognition of paternity. Each parent must receive a copy of the recognition.

Subd. 6. [PATERNITY EDUCATIONAL MATERIALS.] The commissioner of human services shall prepare educational materials for new and prospective parents that describe the benefits and effects of establishing paternity. The materials must include a description and comparison of the procedures for establishment of paternity through a recognition of parentage under this section and an adjudication of paternity under sections 257.51 to 257.74. The commissioner shall consider the use of innovative audio or visual approaches to the presentation of the materials to facilitate understanding and presentation. In preparing the materials, the commissioner shall consult with child advocates and support workers, battered women's advocates, social service providers, educators, attorneys, hospital representatives, and people who work with parents in making decisions related to paternity. The commissioner shall consult with representatives of communities of color. On and after July 1, 1993, the commissioner shall make the materials available without cost to hospitals, requesting agencies, and other persons for distribution to new parents.

Subd. 7. [HOSPITAL DISTRIBUTION OF EDUCATIONAL MATERIALS; RECOGNITION FORM.] Hospitals that provide obstetric services shall distribute the educational materials and recognition of parentage forms prepared by the commissioner of human services to new parents and shall assist parents in understanding the recognition of parentage form. On and after July 1, 1993, hospitals may not distribute the declaration of parentage forms.

Subd. 8. [NOTICE.] In the event the state registrar of vital statistics receives more than one recognition of parentage for the same child, the registrar shall notify both signatories on each recognition that the recognition is no longer final and that each man has only a presumption of paternity under section 257.55, subdivision 1.

Sec. 8. Minnesota Statutes 1990, section 518.156, subdivision 1, is amended to read:

Subdivision 1. In a court of this state which has jurisdiction to decide child custody matters, a child custody proceeding is commenced:

(a) by a parent

(1) by filing a petition for dissolution or legal separation; or

(2) where a decree of dissolution or legal separation has been entered or where none is sought, or when paternity has been recognized under section 7, by filing a petition or motion seeking custody or visitation of the child in the county where the child is permanently resident or where the child is found or where an earlier order for custody of the child has been entered; or

(b) by a person other than a parent, where a decree of dissolution or legal separation has been entered or where none is sought by filing a petition or motion seeking custody or visitation of the child in the county where the child is permanently resident or where the child is found or where an earlier order for custody of the child has been entered.

Sec. 9. [EFFECTIVE DATE.]

This act is effective July 1, 1993, except that section 7, subdivisions 5 and 6, are effective July 1, 1992."

Amend the title as follows:

Page 1, line 8, delete "257.59, subdivision 1;"

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

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 2206, A bill for an act relating to courts; authorizing certain appearances in conciliation court; modifying and clarifying conciliation court jurisdiction and procedures; increasing jurisdictional amounts; amending Minnesota Statutes 1990, sections 487.30, subdivisions 1, 3a, 4, 7, and by adding subdivisions; 488A.12, subdivision 3; and 488A.29, subdivision 3; Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3; repealing Minnesota Statutes 1990, section 487.30, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

(4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

(5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal;

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or

sections 566.18 to 566.33 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause; or

(14) the delivery of legal services by a specialized legal assistant in accordance with a specialty license issued by the supreme court before July 1, 1995; or

(15) an officer, shareholder, director, partner, or employee from appearing on behalf of a corporation, partnership, sole proprietorship, or association in conciliation court in accordance with section 8 or in district court in an action that was removed from conciliation court.

Sec. 2. Minnesota Statutes 1990, section 487.30, subdivision 1, is amended to read:

Subdivision 1. [JURISDICTION; GENERAL.] (a) ~~Except as provided in paragraph (b),~~ The conciliation court shall hear and determine civil claims if the amount of money or property which is the subject matter of the claim does not exceed ~~$4,000~~ $5,000 for the determination thereof without jury trial and by a simple and informal procedure. The rules of the supreme court shall provide for a right of appeal from the decision of the conciliation court to the ~~county~~ district court for a trial on the merits. Except as otherwise provided in this section, the territorial jurisdiction of a conciliation court shall be coextensive with the county in which the court is established.

~~(b) If the claim involves a consumer credit transaction, the amount of money or property that is the subject matter of the claim may not exceed $2,500. "Consumer credit transaction" means a sale of personal property, or a loan arranged to facilitate the purchase of personal property, in which:~~

~~(1) credit is granted by a seller or a lender who regularly engages as a seller or lender in credit transactions of the same kind;~~

~~(2) the buyer is a natural person;~~

~~(3) the claimant is the seller or lender in the transaction; and~~

~~(4) the personal property is purchased primarily for a personal, family, or household purpose and not for a commercial, agricultural, or business purpose.~~ The summons in an action under subdivisions 3a to 4 may be served anywhere within the state.

(b) If the controversy concerns the ownership or possession of personal property the value of which does not exceed $5,000, the court may determine the ownership and possession of the property and order any party to deliver the property to another party. The order is enforceable by the sheriff of the county in which the property is located without further legal process.

Sec. 3. Minnesota Statutes 1990, section 487.30, subdivision 3a, is amended to read:

Subd. 3a. [JURISDICTION; STUDENT LOANS.] ~~Notwithstanding the provisions of subdivision 1 or any rule of court to the contrary,~~ The conciliation court also has jurisdiction to determine a civil action commenced by a plaintiff educational institution, including but not limited to, a state university or community college, with administrative offices in the county in which the conciliation court is located, to recover the amount of a student loan or loans even though the defendant or defendants are not residents of the county under the following conditions:

(a) the student loan or loans were originally awarded in the county in which the conciliation court is located;

(b) ~~the loan or loans are overdue at the time the action is commenced;~~

~~(c) the amount sought in any single action does not exceed $4,000;~~

~~(d)~~ notice that payment on the loan is overdue has previously been sent by first class mail to the borrower to the last known address reported by the borrower to the educational institution; and

~~(e)~~ (c) the notice states that the educational institution may commence a conciliation court action in the county where the loan was awarded to recover the amount of the loan.

~~Notwithstanding any law or rule or civil procedure to the contrary, a summons in any action commenced under this subdivision may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the overdue loan or loans to the summons before it is issued.~~

Sec. 4. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 3b. [JURISDICTION; FOREIGN DEFENDANTS.] (a) A conciliation court action may be commenced against a foreign corporation doing business in this state in the county where the corporation's registered agent is located; in the county where the cause of action arises, if the corporation has a place of business in that county; or, if the corporation does not appoint or maintain a registered agent in this state, in the county in which the plaintiff resides.

(b) In the case of a nonresident other than a foreign corporation, if this state has jurisdiction under section 543.19, a conciliation court action may be commenced against the nonresident in the county in which the plaintiff resides.

Sec. 5. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 3c. [JURISDICTION; MULTIPLE DEFENDANTS.] A conciliation court action may be commenced by a plaintiff against two or more defendants in the county in which one or more of the defendants resides. Counterclaims may be commenced in the county where the original action was commenced.

Sec. 6. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 3d. [JURISDICTION; CERTAIN CLAIMS ARISING OUT OF RENTAL PROPERTY.] An action under section 504.20 for the recovery of a deposit on rental property, or an action under section 504.245, 504.255, or 504.26, also may be brought in the county in which the rental property is located.

Sec. 7. Minnesota Statutes 1990, section 487.30, subdivision 4, is amended to read:

Subd. 4. [JURISDICTION; DISHONORED CHECKS.] The conciliation court also has jurisdiction to determine a civil action commenced by a plaintiff, resident of the county, to recover the amount of a dishonored check issued in the county, even though the defendant or defendants are not residents of the county, if the notice of nonpayment or dishonor described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check may commence a conciliation court action in the county where the dishonored check was issued to recover the amount of the check. This subdivision does not apply to a check that has been dishonored by a stop payment order. ~~Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this subdivision may be served anywhere within the state of Minnesota. The court administrator of conciliation court shall attach a copy of the dishonored check to the summons before it is issued.~~

Sec. 8. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 4a. [ATTORNEYS; REPRESENTATION.] A corporation, partnership, sole proprietorship, or association may be represented by an officer or partner who is not an attorney or may appoint an employee who is not an attorney to appear on its behalf or settle a claim in conciliation court. If all the partners or shareholders of a partnership, association, or corporation are attorneys, an officer, partner, or employee who is an attorney may represent the partnership, association, or corporation. In the case of an employee, an authorized power of attorney or other evidence of authority acceptable to the court must be filed with the claim or presented at the hearing.

Sec. 9. Minnesota Statutes 1990, section 487.30, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF COSTS ON REMOVAL.] A notice of order for judgment shall contain a statement that if the cause is removed to ~~county~~ district court, the court may~~, in its discretion,~~ allow the prevailing party to recover from the aggrieved party an amount not to exceed $50 as costs if the prevailing party on appeal is not the aggrieved party in the original action. The notice must also contain a statement that if the removing party does not prevail, the opposing party will be awarded costs as provided under subdivision 8, and must include the actual dollar amount of costs applicable to the case.

Sec. 10. Minnesota Statutes 1990, section 487.30, subdivision 8, is amended to read:

Subd. 8. [COSTS AND DISBURSEMENTS ON REMOVAL.] (a) For the purpose of this subdivision, "removing party" means the party who demands removal to district court or the first party who serves or files a demand for removal, if another party also demands removal. "Opposing party" means any party as to whom the removing party seeks a reversal in whole or in part.

(b) If the removing party prevails in district court, the removing party may recover costs from the opposing party as provided by rules of the supreme court. If the removing party does not prevail, the court shall award the opposing party an additional ~~$200~~ amount as costs equal to five percent of the conciliation court jurisdictional limit applicable to the original claim.

(c) The removing party prevails in district court if:

(1) the removing party recovers at least $500 or 50 percent of the amount or value of property that the removing party requested on

removal, whichever is less, when the removing party was denied any recovery in conciliation court;

(2) the opposing party does not recover any amount or any property from the removing party in district court when the opposing party recovered some amount or some property in conciliation court;

(3) the removing party recovers an amount or value of property in district court that exceeds the amount or value of property that the removing party recovered in conciliation court by at least $500 or 50 percent, whichever is less; or

(4) the amount or value of property that the opposing party recovers from the removing party in district court is reduced from the amount or value of property that the opposing party recovered in conciliation court by at least $500 or 50 percent, whichever is less.

(d) Costs or disbursements in conciliation or district court shall not be considered in determining whether there was a recovery by either party in either court or in determining the difference in recovery under this subdivision.

Sec. 11. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 10. [JUDGMENT DEBTOR DISCLOSURE.] If a cause is removed to county court, judgment is entered by the county court and has been docketed for at least 30 days, the judgment is not satisfied, and the parties have not otherwise agreed, the county court shall, upon request of the judgment creditor, order the judgment debtor to mail to the judgment creditor the information on the judgment debtor's assets, liabilities, and personal earnings specified in subdivision 5 on the form provided by that subdivision. The remedies provided for a violation of subdivision 5 apply to a violation of this subdivision.

Sec. 12. Minnesota Statutes 1990, section 488A.12, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] ~~(a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try, and determine civil actions at law where the amount in controversy does not exceed the sum of $4,000, except that if the action involves a consumer credit transaction, the amount in controversy may not exceed $2,000. "Consumer credit transaction" has the meaning given in section 487.30, subdivision 1. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Hennepin.~~

~~(b) Notwithstanding the provisions of paragraph (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Hennepin county, and the summons in the action may be served anywhere within the state of Minnesota.~~

~~(c) Notwithstanding the provisions of paragraph (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine a civil action commenced by a plaintiff, a resident of Hennepin county, to recover the amount of a dishonored check issued in the county, even though the defendant or defendants are not residents of Hennepin county, if the notice of nonpayment or dishonor described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check may commence a conciliation court action in the county where the dishonored check was issued to recover the amount of the check. This clause does not apply to a check that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check to the summons before it is issued.~~

~~(d) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine a civil action commenced by a plaintiff educational institution, including but not limited to, a state university or community college, with administrative offices in the county in which the conciliation court is located, to recover the amount of a student loan or loans even though the defendant or defendants are not residents of Hennepin county under the following conditions:~~

~~(1) the student loan or loans were originally awarded in Hennepin county;~~

~~(2) the loan or loans are overdue at the time the action is commenced;~~

~~(3) the amount sought in any single action does not exceed $3,500;~~

~~(4) notice that payment on the loan is overdue has previously been sent by first class mail to the borrower to the last known address reported by the borrower to the educational institution; and~~

~~(5) the notice states that the educational institution may commence a conciliation court action in Hennepin county to recover the amount of the loan.~~

~~Notwithstanding any law or rule or civil procedure to the contrary, a summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the overdue loan or loans to the summons before it is issued.~~ The provisions of section 487.30 dealing with jurisdiction of conciliation courts apply in Hennepin county.

Sec. 13. Minnesota Statutes 1990, section 488A.16, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ORDER.] ~~The court administrator shall promptly mail to each party a notice of the order for judgment which the judge enters. The notice shall state the number of days allowed for obtaining an order to vacate where there has been a default or for removing the cause to municipal court. The notice shall contain a statement that if the cause is removed to municipal court, the court may, in its discretion, allow the prevailing party to recover from the aggrieved party an amount not to exceed $50 as costs if the prevailing party on appeal is not the aggrieved party in the original action.~~ The provisions of section 487.30 dealing with the notice of order apply in Hennepin county.

Sec. 14. Minnesota Statutes 1990, section 488A.17, subdivision 10, is amended to read:

Subd. 10. [COSTS AND DISBURSEMENTS ON REMOVAL.] ~~(a) For the purpose of this subdivision, "removing party" means the party who demands removal to district court or the first party who serves or files a demand for removal, if another party also demands removal. "Opposing party" means any party as to whom the removing party seeks a reversal in whole or in part.~~

~~(b) If the removing party prevails in district court, the removing party may recover $5 as costs from the opposing party, together with disbursements in conciliation and district court. If the removing party does not prevail, the court shall award the opposing party an additional $200 as costs, together with disbursements.~~

~~(c) The removing party prevails in district court if:~~

~~(1) the removing party recovers at least $500 or 50 percent of the amount or value of property that the removing party requested on removal, whichever is less, when the removing party was denied any recovery in conciliation court;~~

~~(2) the opposing party does not recover any amount or any property from the removing party in district court when the opposing party recovered some amount or some property in conciliation court;~~

~~(3) the removing party recovers an amount or value of property in district court that exceeds the amount or value of property that the removing party recovered in conciliation court by at least $500 or 50 percent, whichever is less; or~~

~~(4) the amount or value of property that the opposing party recovers from the removing party in district court is reduced from the amount or value of property that the opposing party recovered in conciliation court by at least $500 or 50 percent, whichever is less.~~

~~(d) Costs or disbursements in conciliation or district court shall not be considered in determining whether there was a recovery by either party in either court or in determining the difference in recovery under this subdivision.~~ The provisions of section 487.30 dealing with costs and disbursements on removal apply in Hennepin county.

Sec. 15. Minnesota Statutes 1990, section 488A.17, is amended by adding a subdivision to read:

Subd. 11a. [JUDGMENT DEBTOR DISCLOSURE.] If a cause is removed to the municipal court, judgment is entered by the municipal court and has been docketed for at least 30 days, the judgment is not satisfied, and the parties have not otherwise agreed, the municipal court shall upon request of the judgment creditor, order the judgment debtor to mail to the judgment creditor the information on the judgment debtor's assets, liabilities, and personal earnings specified in section 488A.16, subdivision 8, on the form provided by that subdivision. The remedies provided for a violation of section 488A.16, subdivision 8, apply to a violation of this subdivision.

Sec. 16. Minnesota Statutes 1990, section 488A.29, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] ~~(a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of $4,000, except that if the action involves a consumer credit transaction, the amount in controversy may not exceed $2,000. "Consumer credit transaction" has the meaning given in section 487.30, subdivision 1. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Ramsey.~~

~~(b) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county, and the summons in the action may be served anywhere in the state of Minnesota.~~

~~(c) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine a civil action commenced by a plaintiff, resident of Ramsey county, to recover the amount of a dishonored check issued in the county, even though the defendant or defendants are not residents of Ramsey county, if the notice of nonpayment or dishonor described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check may commence a conciliation court action in the county where the dishonored check was issued to recover the amount of the check. This clause does not apply to a check that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check to the summons before it is issued.~~

~~(d) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine a civil action commenced by a plaintiff educational institution, including but not limited to, a state university or community college, with administrative offices in the county in which the conciliation court is located, to recover the amount of a student loan or loans even though the defendant or defendants are not residents of Ramsey county under the following conditions:~~

~~(1) the student loan or loans were originally awarded in Ramsey county;~~

~~(2) the loan or loans are overdue at the time the action is commenced;~~

~~(3) the amount sought in any single action does not exceed $4,000;~~

~~(4) notice that payment on the loan is overdue has previously been sent by first class mail to the borrower to the last known address reported by the borrower to the educational institution; and~~

~~(5) the notice states that the educational institution may commence a conciliation court action in Ramsey county to recover the amount of the loan.~~

~~Notwithstanding any law or rule or civil procedure to the contrary, a summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the overdue loan or loans to the summons before it is issued.~~ The provisions of section 487.30 dealing with jurisdiction of conciliation courts apply in Ramsey county.

Sec. 17. Minnesota Statutes 1990, section 488A.33, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ORDER.] ~~The administrator shall promptly mail to each party a notice of the order for judgment which the judge enters. The notice shall state the number of days allowed for obtaining an order to vacate where there has been a default or for removing the cause to municipal court. The notice shall also contain a statement that if the cause is removed to municipal court, the court may, in its discretion, allow the prevailing party to recover from the aggrieved party an amount not to exceed $50 as costs if the prevailing party on appeal is not the aggrieved party in the original action.~~ The provisions of section 487.30 dealing with the notice of order apply in Ramsey county.

Sec. 18. Minnesota Statutes 1990, section 488A.34, subdivision 9, is amended to read:

Subd. 9. [COSTS AND DISBURSEMENTS ON REMOVAL.] ~~(a) For the purpose of this subdivision, "removing party" means the party who demands removal to district court or the first party who serves or files a demand for removal, if another party also demands removal. "Opposing party" means any party as to whom the removing party seeks a reversal in whole or in part.~~

~~(b) If the removing party prevails in district court, the removing party may recover costs and disbursements from the opposing party as though the action were commenced in district court. If the removing party does not prevail, the court shall award the opposing party an additional $200 as costs, together with disbursements.~~

~~(c) The removing party prevails in district court if:~~

~~(1) the removing party recovers at least $500 or 50 percent of the amount or value of property that the removing party requested on removal, whichever is less, when the removing party was denied any recovery in conciliation court;~~

~~(2) the opposing party does not recover any amount or any property from the removing party in district court when the opposing party recovered some amount or some property in conciliation court;~~

~~(3) the removing party recovers an amount or value of property in district court that exceeds the amount or value of property that the removing party recovered in conciliation court by at least $500 or 50 percent, whichever is less; or~~

~~(4) the amount or value of property that the opposing party recovers from the removing party in district court is reduced from~~

~~the amount or value of property that the opposing party recovered in conciliation court by at least $500 or 50 percent, whichever is less.~~

~~(d) Costs or disbursements in conciliation or district court shall not be considered in determining whether there was a recovery by either party in either court or in determining the difference in recovery under this subdivision.~~ The provisions of section 487.30 dealing with costs and disbursements on removal apply in Ramsey county.

Sec. 19. Minnesota Statutes 1990, section 488A.34, is amended by adding a subdivision to read:

Subd. 10a. [JUDGMENT DEBTOR DISCLOSURE.] If a cause is removed to the municipal court, judgment is entered by the municipal court and has been docketed for at least 30 days, the judgment is not satisfied, and the parties have not otherwise agreed, the municipal court shall, upon request of the judgment creditor, order the judgment debtor to mail to the judgment creditor the information on the judgment debtor's assets, liabilities, and personal earnings specified in section 488A.33, subdivision 7, on the form provided by that subdivision. The remedies provided for a violation of section 488A.33, subdivision 7, apply to a violation of this subdivision.

Sec. 20. Minnesota Statutes 1990, section 549.02, is amended to read:

549.02 [COSTS IN DISTRICT COURTS.]

In actions commenced in the district court, costs shall be allowed as follows:

To plaintiff: (1) Upon a judgment in the plaintiff's favor of $100 or more in an action for the recovery of money only, ~~when no issue of fact or law is joined, $5; when issue is joined, $10~~ $200. (2) In all other actions, including an action by a public employee for wrongfully denied or withheld employment benefits or rights, except as otherwise specially provided, ~~$10~~ $200.

To defendant: ~~(1)~~ Upon discontinuance or dismissal, ~~$5. (2)~~ or when judgment is rendered in the defendant's favor on the merits, ~~$10~~ $200.

To the prevailing party: (1) $5.50 for the cost of filing a satisfaction of the judgment.

Sec. 21. [CONCILIATION COURT JURISDICTION AMOUNTS.]

Subdivision 1. [INCREASE IN LIMITS.] The conciliation court

jurisdictional limit contained in Minnesota Statutes, section 487.30, subdivision 1, increases to $6,000 on August 1, 1993, and $7,500 on August 1, 1994.

Subd. 2. [REVISOR'S INSTRUCTION.] The revisor of statutes shall make the changes in the jurisdictional amounts provided in subdivision 1 in Minnesota Statutes 1993 Supplement and subsequent editions of the statutes.

Sec. 22. [REPEALER.]

Minnesota Statutes 1990, sections 487.30, subdivision 3; 488A.14, subdivision 6; and 488A.31, subdivision 6, are repealed."

Delete the title and insert:

"A bill for an act relating to courts; authorizing certain appearances in conciliation court; modifying and clarifying conciliation court jurisdiction and procedures; increasing jurisdictional amounts; amending Minnesota Statutes 1990, sections 487.30, subdivisions 1, 3a, 4, 7, 8, and by adding subdivisions; 488A.12, subdivision 3; 488A.16, subdivision 1; 488A.17, subdivision 10, and by adding a subdivision; 488A.29, subdivision 3; 488A.33, subdivision 1; 488A.34, subdivision 9, and by adding a subdivision; and 549.02; Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3; repealing Minnesota Statutes 1990, sections 487.30, subdivision 3; 488A.14, subdivision 6; and 488A.31, subdivision 6."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 2610, A bill for an act relating to peace officers; affording qualified federal law enforcement officers the authority of peace officers when assigned to special state and federal task forces; proposing coding for new law in Minnesota Statutes, chapter 626.

Reported the same back with the following amendments:

Page 1, line 18, delete "state"

Page 1, line 19, delete "and" and after "government" insert ", the commissioners of the state agencies"

Page 1, line 20, before "and" insert "the sheriffs of the participating counties,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2633, A bill for an act relating to agricultural development; redefining agricultural business enterprise for purposes of the Minnesota agricultural development act; amending Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 41B.03, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY GENERALLY.] To be eligible for a program in sections 41B.01 to 41B.23:

(1) a borrower must be a resident of Minnesota or a domestic family farm corporation, as defined in section 500.24, subdivision 2;

(2) the borrower or one of the borrowers must be the principal operator of the farm or, for a prospective homestead redemption borrower, must have at one time been the principal operator of a farm; and

(3) the borrower ~~must not previously have received assistance under sections 41B.01 to 41B.23~~ may not receive more than a lifetime total of two loans from the authority, and the total amount borrowed from the authority at any one time must not exceed $100,000.

Sec. 2. Minnesota Statutes 1991 Supplement, section 41B.03, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY FOR BEGINNING FARMER LOANS.] In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan in which the authority holds an interest, must:

(1) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than $200,000 in 1991 and an amount in subsequent years determined by multiplying $200,000 by the cumulative inflation rate ~~in years subsequent to 1991~~ as determined by the United States All-Items Consumer Price Index;

(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

(5) certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes;

(6) certify that farming will be the principal occupation of the borrower;

(7) agree to participate in a farm management program approved by the commissioner of agriculture for at least the first five years of the loan, if an approved program is available within 45 miles from the borrower's residence; and

(8) agree to file an approved soil and water conservation plan with the soil conservation service office in the county where the land is located.

Sec. 3. Minnesota Statutes 1990, section 41B.039, subdivision 2, is amended to read:

Subd. 2. [STATE PARTICIPATION.] The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of ~~35~~ 45 percent of the first $100,000 in principal amount of the loan ~~or $50,000, whichever is less~~ and 35 percent of the balance of the loan, but the authority's participation must not exceed $100,000 on a single loan. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 4. Minnesota Statutes 1990, section 41B.042, subdivision 4, is amended to read:

Subd. 4. [PARTICIPATION LIMIT; INTEREST.] The authority may participate in new seller-sponsored loans to the extent of 35 percent of the principal amount of the loan or ~~$50,000~~ $100,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest

rates and repayment terms of the seller's retained portion of the loan.

Sec. 5. Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL BUSINESS ENTERPRISE.] "Agricultural business enterprise" means ~~an individual or partnership with a low or moderate net worth who~~ a small business, as defined in section 645.445, subdivision 2, which owns or plans to own properties, real or personal, used or useful in connection with the general processing of agricultural products or in the manufacturing, assembly, or fabrication of agricultural or agriculture-related equipment. Agricultural business enterprise does not include an operation that involves the breeding or raising of livestock.

Sec. 6. Minnesota Statutes 1991 Supplement, section 41C.05, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY; BEGINNING FARMERS.] The authority shall provide in the agricultural development bond beginning farmer and agricultural business enterprise loan program that a mortgage or a contract on behalf of a beginning farmer may be provided if the borrower qualifies under ~~section 41B.03 and~~ authority rules and under federal tax law governing qualified small issue bonds~~.~~ and must:

(1) be a resident of Minnesota or a Minnesota partnership;

(2) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(3) have a low or moderate net worth as defined in section 41C.02, subdivision 12;

(4) certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes;

(5) certify that farming will be the principal occupation of an individual borrower or of at least one of the partners if the borrower is a partnership;

(6) agree to participate in a farm management program approved by the commissioner of agriculture for at least the first five years of the loan, if an approved program is available within 45 miles from the borrower's residence; and

(7) agree to file an approved soil and water conservation plan with the soil conservation service office in the county where the land is located.

Sec. 7. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; changing eligibility for certain loan programs of the rural finance authority; allowing greater participation in certain loans; defining certain terms; amending Minnesota Statutes 1990, sections 41B.03, subdivision 1; 41B.039, subdivision 2; and 41B.042, subdivision 4; Minnesota Statutes 1991 Supplement, sections 41B.03, subdivision 3; 41C.02, subdivision 2; and 41C.05, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 2649, A bill for an act relating to real estate foreclosures; establishing a voluntary foreclosure process with waiver of deficiency claims and equity; proposing coding for new law in Minnesota Statutes, chapter 582.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [582.32] [VOLUNTARY FORECLOSURE; PROCEDURE.]

Subdivision 1. [APPLICATION.] This section applies to mortgages executed after August 1, 1993, under which there has been a default and where the mortgagor and mortgagee enter into a written agreement to foreclosure of the mortgaged real estate under this section. This section applies only to real estate that is not homestead or agricultural property.

Subd. 2. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given:

(b) "Agreement" means the agreement for voluntary foreclosure described in subdivision 3.

(c) "Date of agreement" means the effective date of the agreement

which shall not be sooner than the date on which the agreement is executed and acknowledged by both the mortgagor and mortgagee.

(d) "Junior lien" means a lien with a redeemable interest in the real estate under section 580.23 or 580.24 subordinate to the lien of the mortgage foreclosed under this section.

(e) "Mortgage" means a recorded mortgage on real estate no part of which is homestead as defined in section 510.01 or in agricultural use as defined in section 40A.02, subdivision 3.

(f) "Mortgagee" means the record holders of the mortgage, whether one or more.

(g) "Mortgagor" means the record holders of the legal and equitable interest in the real estate encumbered by the mortgage.

(h) "Real estate" means the real property encumbered by the mortgage and, where applicable, fixtures, equipment, furnishings, and other personalty related to the real property and encumbered by the mortgage.

Subd. 3. [PROCEDURE.] (a) Voluntary foreclosure may occur only in accordance with this section.

(b) The mortgagor and mortgagee shall enter into a written agreement to foreclosure under this section. The agreement shall provide that:

(1) The mortgagor and mortgagee have agreed that the mortgage shall be voluntarily foreclosed with a shortened redemption period under this section.

(2) The mortgagee waives any rights to a deficiency or other claim for personal liability against the mortgagor arising from the mortgage or the debt secured by the mortgage. This does not preclude an agreement between the mortgagor and mortgagee to a stipulated payment to the mortgagee as part of the voluntary foreclosure process or collection from a guarantor.

(3) The mortgagor waives its right of reinstatement, to excess sale proceeds, to contest foreclosure, and to rents and occupancy during the period before sale and during the redemption period.

(4) The mortgagor shall consent to the appointment of a receiver for, or grant mortgagee possession of, the real estate as of the date of agreement, for the purposes of operating, maintaining, and protecting the real estate, and the making of any additions or betterments to the real estate.

(c) Within seven days after the date of agreement, the mortgagee must record or file the agreement under this section, with the county recorder or registrar of titles, as appropriate, in the county where the real estate is located, stating that the mortgagor and mortgagee have elected to follow the voluntary foreclosure procedures under this section and indicating the date of agreement.

(d) A certificate signed by the county or city assessor where the real estate is located, stating that the real estate is not in agricultural use as defined in section 40A.02, subdivision 3, and is not a homestead as defined in section 510.01, as the date of agreement, must be recorded with the certificate of sale in the office of the county recorder or registrar of titles where the real estate is located. This certificate is prima facie evidence of the facts contained in the certificate and may be relied upon in examining title to the real estate and by a bona fide purchaser.

Subd. 4. [REQUEST FOR NOTICE; CONTENT REQUIREMENTS.] (a) A person having a junior lien may file for record a request for notice of a mortgage foreclosure under this section with the county recorder or registrar of titles of the county where the real estate is located.

(b) A request for notice must specify: (1) the name and mailing address of the junior lien holder requesting notice; (2) a legal description of the real estate; (3) a description of the junior lien including, if applicable, the date and recording information of the document creating the interest; and (4) a request for notice of a mortgage foreclosure under this section. The request must be executed and acknowledged by the junior lien holder.

(c) The recording of a request for notice by itself does not give the person requesting notice any interest in the real estate for any purpose. A recorded request for notice does not constitute actual or constructive notice of any interest in the real estate.

Subd. 5. [NOTICE TO CREDITORS.] Within seven days after the date of agreement, the mortgagee shall:

(1) serve the person in possession of the mortgaged real estate with notice of the voluntary foreclosure under this section in the same manner as in a foreclosure by advertisement as provided in section 580.03;

(2) send by certified mail a notice of the voluntary foreclosure under this section to all junior lien holders of record upon the real estate or some part of the real estate, as of the date of agreement, who have filed or recorded a request for this notice under subdivision 3; and

(3) publish notice of the voluntary foreclosure under this section in the same manner as in a foreclosure by advertisement as provided in section 580.03 for four consecutive weeks.

The notice must include all information required under section 580.04, clauses (1) to (5), the date of the agreement, and that each junior creditor may redeem in the order and manner provided in subdivision 9, beginning one month after the foreclosure sale. Provided, if the real estate is subject to a federal tax lien entitled to the preemptive 120-day redemption period under section 7425(d)(1) of the Internal Revenue Code, as amended, the notice shall provide that the date of redemption for the first federal tax lien and all other liens junior thereto shall begin four months after the date of the foreclosure sale. Affidavits of service, mailing, and publication to evidence the same must be recorded with the certificate of sale in the office of the county recorder or registrar of titles where the real estate is located. These affidavits are prima facie evidence of the facts contained in the affidavits and may be relied upon in examining title to the real estate and by a bona fide purchaser.

Subd. 6. [SALE, HOW AND BY WHOM MADE.] The sale shall be made in the same manner as in a foreclosure by advertisement as provided in sections 580.06 and 580.11 to 580.19. The sale may be postponed as provided in section 580.07.

Subd. 7. [EFFECT OF FAILURE TO MAIL NOTICE.] If a person foreclosing a mortgage under this section fails to mail a notice in accordance with subdivision 5 to a person with a properly recorded request for notice, the failure does not invalidate the foreclosure.

Subd. 8. [REMEDIES.] If notice of the sale is not mailed in accordance with subdivision 5 to a person with a properly recorded request for notice, the junior lien holder requesting notice has a cause of action against the person foreclosing the mortgage for money damages for the lessor of: (1) the equity in the mortgaged premises that would have been available to the person if the person had redeemed; or (2) the value of the junior lien. The value of a junior lien is the amount due on and secured by the lien. A junior lien holder has the burden of proving that the junior lien was valid and the junior lien holder had measurable damages and had the financial ability to redeem. An action for damages resulting from failure to mail notice must be brought within two years after the date of sale.

Subd. 9. [CREDITOR REDEMPTION.] A subsequent creditor having a junior lien upon the real estate or some part of the real estate may redeem in the order and manner specified in sections 580.24 and 580.25, but only if before the end of the redemption period the creditor files with the county recorder or registrar of titles of each county where the mortgaged real estate is located, a notice of intention to redeem. If a junior creditor fails to redeem its lien as

provided in this subdivision, its lien is extinguished on the real estate.

Sec. 2. [EFFECTIVE DATE.]

This act is effective August 1, 1993, and applies to mortgages entered into on or after August 1, 1993."

Delete the title and insert:

"A bill for an act relating to real estate foreclosures; establishing a voluntary foreclosure process with waiver of deficiency claims and equity; proposing coding for new law in Minnesota Statutes, chapter 582."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2853, A bill for an act relating to agriculture; changing requirements for pesticide registration applications; amending Minnesota Statutes 1990, section 18B.26, subdivision 2.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 829, 1441, 1941, 2206, 2610, 2633, 2649 and 2853 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1252, 1298, 1671, 1729, 1767, 1801, 1900, 1991, 1997, 2001, 2013, 2069, 2115, 2117, 2124, 2162, 2182, 2185, 2186, 2208, 2231, 2286, 2301, 2308, 2310, 2311, 2382, 2421, 2475 and 2637 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Simoneau, Beard and Milbert introduced:

H. F. No. 3006, A bill for an act relating to taxation; reducing the income tax deduction for personal exemptions; changing certain income tax rates; amending Minnesota Statutes 1990, section 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a; 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

Olson, K.; Wejcman; Munger; Reding and Battaglia introduced:

H. F. No. 3007, A bill for an act relating to taxation; reducing the income tax deduction for personal exemptions; changing certain income tax rates; amending Minnesota Statutes 1990, section 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a; 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

Janezich, Segal, Trimble, Mariani and McGuire introduced:

H. F. No. 3008, A bill for an act relating to taxation; reducing the income tax deduction for personal exemptions; changing certain income tax rates; amending Minnesota Statutes 1990, section 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a; 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

Hausman, Clark, Begich, Rukavina and Lourey introduced:

H. F. No. 3009, A bill for an act relating to taxation; reducing the income tax deduction for personal exemptions; changing certain income tax rates; amending Minnesota Statutes 1990, section 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement,

section 290.01, subdivision 19a; 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapter 290.

The bill was read for the first time and referred to the Committee on Taxes.

O'Connor and McEachern introduced:

H. F. No. 3010, A bill for an act relating to education; requiring a parent participation seminar in connection with pupil registration.

The bill was read for the first time and referred to the Committee on Education.

Winter; Rukavina; Olson, K., and Waltman introduced:

H. F. No. 3011, A bill for an act relating to armories; providing for the transfer of closed armories to municipalities and counties; providing planning and construction grants for reusing transferred armories; releasing municipalities and counties that acquire armories from certain liabilities; appropriating money.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Dempsey introduced:

H. F. No. 3012, A bill for an act relating to natural resources; increasing fees for issuance of snowmobile, all-terrain vehicle, and watercraft licenses and filing fees for watercraft title applications; amending Minnesota Statutes 1990, sections 84.922, subdivision 2; 86B.415, subdivision 8; and 86B.870, subdivision 1; Minnesota Statutes 1991 Supplement, section 84.82, subdivision 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1399, A bill for an act relating to utilities; determining when reconciliation of actual assessments to public utilities and telephone companies must be completed; amending Minnesota Statutes 1990, sections 216B.62, subdivision 3; and 237.295, subdivision 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Mrs. Benson, J. E.; Messrs. Novak and Waldorf.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jacobs moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1399. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1818, A bill for an act relating to local government; authorizing mail balloting for certain municipalities; amending Minnesota Statutes 1990, sections 204B.45, subdivisions 1 and 2; and 365.51, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate wishes to recall for the purpose of further consideration H. F. No. 1818.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wenzel moved that the House accede to the request of the Senate for the return of H. F. No. 1818 for further consideration by the Senate. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2338, 1735, 1787, 2392, 1691 and 1985.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 512, 1794, 1813, 2177, 2328 and 2257.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2338, A bill for an act relating to commerce; authorizing the local government units to regulate tanning facilities; requiring licenses; providing exemptions; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 461.

The bill was read for the first time and referred to the Committee on Health and Human Services.

S. F. No. 1735, A bill for an act relating to children; authorizing criminal background checks of professional and volunteer children's service workers; establishing procedures for the sharing of criminal record data with children's service providers; protecting privacy rights of subjects of the background checks; proposing coding for new law in Minnesota Statutes, chapter 299C.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 1787, A bill for an act relating to state lands; changing provisions relating to withdrawal of certain lands from sale or exchange; authorizing the sale of surplus land bordering public waters for public use; authorizing public sale of certain tax-forfeited lands that border public water in Fillmore county; amending Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1; repealing Minnesota Statutes 1990, section 103F.535, subdivisions 2 and 3.

The bill was read for the first time.

Davids moved that S. F. No. 1787 and H. F. No. 2324, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2392, A bill for an act relating to state parks; authorizing additions to and deletions from certain state parks; authorizing an easement and regulating campground use at McCarthy Beach state park.

The bill was read for the first time.

Rodosovich moved that S. F. No. 2392 and H. F. No. 2619, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1691, A bill for an act relating to courts; authorizing certain appearances in conciliation court; modifying and clarifying conciliation court jurisdiction and procedures; increasing jurisdictional amounts; amending Minnesota Statutes 1990, sections 487.30, subdivisions 1, 3a, 4, 7, 8, and by adding subdivisions; 488A.12, subdivision 3; 488A.15, subdivision 2; 488A.16, subdivision 1; 488A.17, subdivision 10; 488A.29, subdivision 3; 488A.32, subdivision 2; 488A.33, subdivision 1; 488A.34, subdivision 9; Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3; repealing Minnesota Statutes 1990, sections 487.30, subdivision 3; 488A.14, subdivision 6; 488A.31, subdivision 6.

The bill was read for the first time.

Pugh moved that S. F. No. 1691 and H. F. No. 2206, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1985, A bill for an act relating to human rights; declaring a state policy of zero tolerance of violence; encouraging state agencies to act to implement the policy; proposing coding for new law in Minnesota Statutes, chapters 1 and 15.

The bill was read for the first time.

McGuire moved that S. F. No. 1985 and H. F. No. 2242, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 512, A bill for an act relating to agriculture; regulating noxious weeds; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1990,

sections 18.171 to 18.189; 18.192; 18.201; 18.211 to 18.315; and 18.321 to 18.323; Minnesota Statutes 1991 Supplement, section 18.191.

The bill was read for the first time.

Bertram moved that S. F. No. 512 and H. F. No. 829, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1794, A bill for an act relating to state government; appointments of department heads and members of administrative boards and agencies; clarifying procedures and requirements; amending Minnesota Statutes 1990, sections 15.0575, subdivision 4; 15.06, subdivision 5; and 15.066, subdivision 2.

The bill was read for the first time.

Reding moved that S. F. No. 1794 and H. F. No. 2051, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1813, A bill for an act relating to education; allowing children to attend school for 30 days without participating in early childhood developmental screening; allowing parents to decline to provide certain information without penalty; adding health history as an optional screening component; adding height and weight as a required component; amending Minnesota Statutes 1991 Supplement, section 123.702, subdivisions 1, 1a, 1b, and 3.

The bill was read for the first time and referred to the Committee on Education.

S. F. No. 2177, A bill for an act relating to juries; prohibiting exclusion from jury service based on a disability; amending Minnesota Statutes 1990, section 593.32.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 2328, A bill for an act relating to drivers' licenses; eliminating requirement for drivers of special transportation vehicles to take examination for license endorsement; making technical changes; amending Minnesota Statutes 1991 Supplement, sections 171.01, subdivision 24; 171.02, subdivision 2; 171.10, subdivision 2; 171.13, subdivision 5; and 171.323, subdivisions 1 and 3.

The bill was read for the first time.

Seaberg moved that S. F. No. 2328 and H. F. No. 2594, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2257, A bill for an act relating to agricultural development; redefining agricultural business enterprise for purposes of the Minnesota agricultural development act; amending Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 2.

The bill was read for the first time.

Winter moved that S. F. No. 2257 and H. F. No. 2633, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 2608, A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; proposing coding for new law in Minnesota Statutes, chapter 325G.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hugoson	Lieder	Olson, K.
Anderson, I.	Dille	Jacobs	Limmer	Omann
Anderson, R.	Dorn	Janezich	Lourey	Onnen
Anderson, R. H.	Erhardt	Jaros	Lynch	Orenstein
Battaglia	Farrell	Jefferson	Macklin	Orfield
Bauerly	Frederick	Jennings	Mariani	Osthoff
Beard	Frerichs	Johnson, A.	Marsh	Ostrom
Begich	Garcia	Johnson, R.	McEachern	Ozment
Bertram	Girard	Johnson, V.	McGuire	Pauly
Bettermann	Goodno	Kahn	McPherson	Pellow
Bishop	Gruenes	Kalis	Milbert	Pelowski
Blatz	Gutknecht	Kelso	Morrison	Peterson
Bodahl	Hanson	Kinkel	Munger	Pugh
Boo	Hartle	Knickerbocker	Murphy	Reding
Brown	Hasskamp	Koppendrayer	Nelson, S.	Rest
Carlson	Haukoos	Krambeer	Newinski	Rice
Clark	Hausman	Krinkie	O'Connor	Rodosovich
Cooper	Heir	Krueger	Ogren	Rukavina
Dauner	Henry	Lasley	Olsen, S.	Runbeck
Davids	Hufnagle	Leppik	Olson, E.	Sarna

Schafer	Smith	Thompson	Vanasek	Welker
Schreiber	Solberg	Tompkins	Vellenga	Welle
Seaberg	Sparby	Trimble	Wagenius	Wenzel
Segal	Stanius	Tunheim	Waltman	Winter
Simoneau	Steensma	Uphus	Weaver	Spk. Long
Skoglund	Sviggum	Valento	Wejcman	

The bill was passed and its title agreed to.

H. F. No. 2707, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land in Mille Lacs county, and the exchange of certain state-owned lands in Aitkin county.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	Olson, E.	Skoglund
Anderson, I.	Garcia	Kinkel	Olson, K.	Smith
Anderson, R.	Girard	Knickerbocker	Omann	Solberg
Anderson, R. H.	Goodno	Koppendrayer	Onnen	Sparby
Battaglia	Greenfield	Krambeer	Orenstein	Stanius
Bauerly	Gruenes	Krinkie	Orfield	Steensma
Beard	Gutknecht	Krueger	Osthoff	Sviggum
Begich	Hanson	Lasley	Ostrom	Swenson
Bertram	Hartle	Leppik	Ozment	Thompson
Bettermann	Hasskamp	Lieder	Pauly	Tompkins
Bishop	Haukoos	Limmer	Pellow	Trimble
Blatz	Hausman	Lourey	Pelowski	Tunheim
Bodahl	Heir	Lynch	Peterson	Uphus
Boo	Henry	Macklin	Pugh	Valento
Brown	Hufnagle	Mariani	Reding	Vanasek
Carlson	Hugoson	Marsh	Rest	Vellenga
Clark	Jacobs	McEachern	Rice	Wagenius
Cooper	Janezich	McGuire	Rodosovich	Waltman
Dauner	Jaros	McPherson	Rukavina	Weaver
Davids	Jefferson	Milbert	Runbeck	Wejcman
Dawkins	Jennings	Morrison	Sarna	Welker
Dille	Johnson, A.	Murphy	Schafer	Welle
Dorn	Johnson, R.	Nelson, S.	Schreiber	Wenzel
Erhardt	Johnson, V.	Newinski	Seaberg	Winter
Farrell	Kahn	O'Connor	Segal	Spk. Long
Frederick	Kalis	Olsen, S.	Simoneau	

Those who voted in the negative were:

Munger

The bill was passed and its title agreed to.

S. F. No. 2307, A bill for an act relating to elections; changing

deadlines for certain statutory cities to abolish the ward system; amending Minnesota Statutes 1990, section 412.023, subdivision 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kelso	Ogren	Simoneau
Anderson, I.	Garcia	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Girard	Knickerbocker	Olson, K.	Smith
Anderson, R. H.	Goodno	Koppendrayer	Omann	Solberg
Battaglia	Greenfield	Krambeer	Onnen	Sparby
Bauerly	Gruenes	Krinkie	Orenstein	Stanius
Beard	Gutknecht	Krueger	Orfield	Steensma
Begich	Hanson	Lasley	Osthoff	Sviggum
Bertram	Hartle	Leppik	Ostrom	Swenson
Bettermann	Hasskamp	Lieder	Ozment	Thompson
Bishop	Haukoos	Limmer	Pauly	Tompkins
Blatz	Hausman	Lourey	Pellow	Trimble
Bodahl	Heir	Lynch	Pelowski	Tunheim
Boo	Henry	Macklin	Peterson	Uphus
Brown	Hufnagle	Mariani	Pugh	Valento
Carlson	Hugoson	Marsh	Reding	Vanasek
Clark	Jacobs	McEachern	Rest	Vellenga
Cooper	Janezich	McGuire	Rice	Wagenius
Dauner	Jaros	McPherson	Rodosovich	Waltman
Davids	Jefferson	Milbert	Rukavina	Weaver
Dawkins	Jennings	Morrison	Runbeck	Wejcman
Dille	Johnson, A.	Munger	Sarna	Welker
Dorn	Johnson, R.	Murphy	Schafer	Welle
Erhardt	Johnson, V.	Nelson, S.	Schreiber	Wenzel
Farrell	Kahn	Newinski	Seaberg	Winter
Frederick	Kalis	O'Connor	Segal	Spk. Long

The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. No. 1903.

H. F. No. 1903 was reported to the House.

CALL OF THE HOUSE

On the motion of Simoneau and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams	Anderson, R. H.	Bauerly	Begich	Bettermann
Anderson, I.	Battaglia	Beard	Bertram	Bishop

Blatz	Hartle	Lasley	Orenstein	Sparby
Bodahl	Hasskamp	Leppik	Orfield	Stanius
Boo	Haukoos	Lieder	Osthoff	Steensma
Brown	Hausman	Limmer	Ostrom	Sviggum
Carlson	Heir	Lourey	Ozment	Swenson
Carruthers	Henry	Lynch	Pauly	Thompson
Clark	Hufnagle	Macklin	Pellow	Tompkins
Cooper	Hugoson	Mariani	Pelowski	Trimble
Dauner	Jacobs	Marsh	Peterson	Tunheim
Davids	Janezich	McEachern	Pugh	Uphus
Dawkins	Jaros	McGuire	Reding	Valento
Dille	Jefferson	McPherson	Rest	Vellenga
Dorn	Jennings	Milbert	Rice	Wagenius
Erhardt	Johnson, A.	Morrison	Rodosovich	Waltman
Farrell	Johnson, R.	Munger	Rukavina	Weaver
Frederick	Johnson, V.	Murphy	Runbeck	Wejcman
Frerichs	Kahn	Nelson, S.	Sarna	Welker
Garcia	Kalis	Newinski	Schafer	Welle
Girard	Kelso	Ogren	Schreiber	Wenzel
Goodno	Kinkel	Olsen, S.	Segal	Winter
Greenfield	Knickerbocker	Olson, E.	Simoneau	Spk. Long
Gruenes	Koppendrayer	Olson, K.	Skoglund	
Gutknecht	Krambeer	Omann	Smith	
Hanson	Krinkie	Onnen	Solberg	

Welle moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Anderson, R. H., moved to amend H. F. No. 1903, the first engrossment, as follows:

Page 5, delete lines 35 to 41

Adjust totals accordingly

Renumber or reletter in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Anderson, R. H., amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 53 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Hugoson	Olsen, S.	Smith
Anderson, R. H.	Girard	Johnson, V.	Olson, K.	Sparby
Bettermann	Goodno	Knickerbocker	Omann	Stanius
Bishop	Gruenes	Krambeer	Onnen	Sviggum
Blatz	Gutknecht	Krinkie	Ozment	Tompkins
Boo	Hanson	Leppik	Pauly	Uphus
Dauner	Hartle	Lynch	Pellow	Valento
Davids	Haukoos	Macklin	Runbeck	Waltman
Dille	Heir	Marsh	Schafer	Welker
Erhardt	Henry	McPherson	Schreiber	
Frederick	Hufnagle	Newinski	Seaberg	

Those who voted in the negative were:

Anderson, I.	Greenfield	Lasley	Orfield	Steensma
Battaglia	Hasskamp	Lieder	Osthoff	Swenson
Bauerly	Hausman	Limmer	Ostrom	Thompson
Beard	Jacobs	Lourey	Pelowski	Trimble
Begich	Janezich	Mariani	Peterson	Tunheim
Bertram	Jaros	McEachern	Pugh	Vanasek
Bodahl	Jefferson	McGuire	Reding	Vellenga
Brown	Jennings	Milbert	Rest	Wagenius
Carlson	Johnson, A.	Morrison	Rice	Weaver
Carruthers	Johnson, R.	Munger	Rodosovich	Wejcman
Clark	Kahn	Murphy	Rukavina	Welle
Cooper	Kalis	Nelson, S.	Sarna	Wenzel
Dawkins	Kelso	O'Connor	Segal	Winter
Dorn	Kinkel	Ogren	Simoneau	Spk. Long
Farrell	Koppendrayer	Olson, E.	Skoglund	
Garcia	Krueger	Orenstein	Solberg	

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

Smith, Knickerbocker, Limmer and Abrams moved to amend H. F. No. 1903, the first engrossment, as follows:

Page 13, delete lines 38 to 42

Adjust totals accordingly

Renumber or reletter in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Smith et al amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 52 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Johnson, V.	Newinski	Smith
Anderson, R.	Girard	Kelso	Olsen, S.	Sviggum
Anderson, R. H.	Goodno	Knickerbocker	Omann	Tompkins
Bettermann	Gutknecht	Koppendrayer	Onnen	Uphus
Bishop	Hartle	Krinkie	Ozment	Valento
Blatz	Haukoos	Limmer	Pauly	Waltman
Bodahl	Heir	Lynch	Pellow	Weaver
Boo	Henry	Macklin	Runbeck	Welker
Davids	Hufnagle	Marsh	Schafer	
Erhardt	Hugoson	McPherson	Seaberg	
Frederick	Jennings	Morrison	Segal	

Those who voted in the negative were:

Anderson, I.	Garcia	Krueger	Orfield	Sparby
Battaglia	Greenfield	Lasley	Osthoff	Steensma
Bauerly	Gruenes	Leppik	Ostrom	Swenson
Beard	Hanson	Lieder	Pelowski	Thompson
Begich	Hasskamp	Lourey	Peterson	Trimble
Bertram	Hausman	Mariani	Pugh	Tunheim
Brown	Jacobs	McGuire	Reding	Vanasek
Carlson	Janezich	Milbert	Rest	Vellenga
Carruthers	Jaros	Munger	Rice	Wagenius
Clark	Jefferson	Murphy	Rodosovich	Wejcman
Cooper	Johnson, A.	Nelson, S.	Rukavina	Welle
Dauner	Johnson, R.	O'Connor	Sarna	Wenzel
Dawkins	Kahn	Ogren	Schreiber	Winter
Dille	Kalis	Olson, E.	Simoneau	Spk. Long
Dorn	Kinkel	Olson, K.	Skoglund	
Farrell	Krambeer	Orenstein	Solberg	

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

Frerichs, Welker and Gutknecht moved to amend H. F. No. 1903, the first engrossment, as follows:

Page 10, line 17, delete "13,507,000" and insert "11,605,000"

Page 10, delete lines 38 to 42

Page 22, after line 31, insert:

"Sec. 33. Minnesota Statutes 1990, section 462A.05, is amended by adding a subdivision to read:

Subd. 20b. [INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED.] The agency may make loans to for-profit or nonprofit entities for the purpose of purchase, construction, or remodeling of housing units which are: (1) eligible for certification

by the commissioner of health as intermediate care facilities for the mentally retarded which may be reimbursed under Minnesota Rules, parts 9553.0010 to 9553.0080; and (2) eligible for licensure under Minnesota Rules, parts 9525.0215 to 9525.0355. Loans authorized by this subdivision shall be made under terms and conditions to be determined by the agency, and only after a determination by the agency that a requested loan is not otherwise available from private lenders upon equivalent terms and conditions.

Sec. 34. [HOUSING FINANCE AGENCY BONDS FOR INTERMEDIATE CARE FACILITY LOANS.]

To provide money for loans under section 33, the housing finance agency may issue and sell bonds up to the amount of $1,902,000. The bonds are not general obligations of the state, and the full faith and credit and taxing powers of the state are not and may not be pledged for the payment of these bonds. These bonds shall be payable solely from the property and moneys derived from the loans and pledged to their payment."

Renumber sections in sequence

Adjust final totals accordingly

A roll call was requested and properly seconded.

The question was taken on the Frerichs et al amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 45 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Koppendrayer	Omann	Smith
Anderson, R. H.	Gruenes	Krambeer	Onnen	Stanius
Bettermann	Gutknecht	Krinkie	Osthoff	Sviggum
Bishop	Haukoos	Limmer	Pauly	Tompkins
Blatz	Heir	Lynch	Pellow	Uphus
Davids	Henry	Macklin	Runbeck	Valento
Dille	Hufnagle	Marsh	Schafer	Waltman
Erhardt	Hugoson	McPherson	Schreiber	Weaver
Frerichs	Johnson, V.	Morrison	Seaberg	Welker

Those who voted in the negative were:

Anderson, I.	Beard	Brown	Cooper	Farrell
Anderson, R.	Begich	Carlson	Dauner	Frederick
Battaglia	Bertram	Carruthers	Dawkins	Garcia
Bauerly	Bodahl	Clark	Dorn	Goodno

Greenfield	Kelso	Murphy	Peterson	Swenson
Hanson	Kinkel	Nelson, S.	Pugh	Thompson
Hartle	Knickerbocker	Newinski	Rest	Trimble
Hasskamp	Krueger	O'Connor	Rice	Tunheim
Hausman	Lasley	Ogren	Rodosovich	Vanasek
Jacobs	Leppik	Olsen, S.	Rukavina	Vellenga
Janezich	Lieder	Olson, E.	Sarna	Wagenius
Jefferson	Lourey	Olson, K.	Segal	Wejcman
Jennings	Mariani	Orenstein	Simoneau	Welle
Johnson, A.	McEachern	Orfield	Skoglund	Wenzel
Johnson, R.	McGuire	Ostrom	Solberg	Winter
Kahn	Milbert	Ozment	Sparby	Spk. Long
Kalis	Munger	Pelowski	Steensma	

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

Frerichs, Hugoson and Welker moved to amend H. F. No. 1903, the first engrossment, as follows:

Page 23, after line 15, insert:

"Sec. 36. [NO LOCAL PREVAILING WAGE REQUIREMENT.]

Notwithstanding Minnesota Statutes, sections 177.41 to 177.44, the state or an agency, department, or subdivision of the state may not require the application of those sections or any other law, ordinance, or policy of similar effect to any project authorized in this act."

Renumber the sections in sequence

A roll call was requested and properly seconded.

POINT OF ORDER

Simoneau raised a point of order pursuant to rule 3.09 that the Frerichs et al amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

The question recurred on the Frerichs et al amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 33 yeas and 99 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Girard	Koppendrayer	Pellow	Tompkins
Bettermann	Hartle	Krinkie	Runbeck	Uphus
Davids	Haukoos	Limmer	Schafer	Valento
Dille	Hufnagle	McPherson	Seaberg	Waltman
Erhardt	Hugoson	Olson, K.	Smith	Welker
Frederick	Johnson, V.	Onnen	Steensma	
Frerichs	Knickerbocker	Pauly	Sviggum	

Those who voted in the negative were:

Abrams	Farrell	Kelso	O'Connor	Segal
Anderson, I.	Garcia	Kinkel	Ogren	Simoneau
Anderson, R.	Goodno	Krambeer	Olsen, S.	Skoglund
Battaglia	Greenfield	Krueger	Olson, E.	Solberg
Bauerly	Gruenes	Lasley	Omann	Sparby
Beard	Gutknecht	Leppik	Orenstein	Stanius
Begich	Hanson	Lieder	Orfield	Swenson
Bertram	Hasskamp	Lourey	Osthoff	Thompson
Bishop	Hausman	Lynch	Ostrom	Trimble
Blatz	Heir	Macklin	Ozment	Tunheim
Bodahl	Henry	Mariani	Pelowski	Vanasek
Boo	Jacobs	Marsh	Peterson	Vellenga
Brown	Janezich	McEachern	Pugh	Wagenius
Carlson	Jaros	McGuire	Reding	Weaver
Carruthers	Jefferson	Milbert	Rest	Wejcman
Clark	Jennings	Morrison	Rice	Welle
Cooper	Johnson, A.	Munger	Rodosovich	Wenzel
Dauner	Johnson, R.	Murphy	Rukavina	Winter
Dawkins	Kahn	Nelson, S.	Sarna	Spk. Long
Dorn	Kalis	Newinski	Schreiber	

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

Welker moved to amend H. F. No. 1903, the first engrossment, as follows:

Page 10, line 59, delete "(a)"

Page 11, delete lines 6 to 19

A roll call was requested and properly seconded.

The question was taken on the Welker amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 50 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Bishop	Davids	Girard	Gutknecht
Anderson, R. H.	Blatz	Dille	Goodno	Haukoos
Bettermann	Boo	Frerichs	Gruenes	Heir

Henry	Krinkie	Newinski	Runbeck	Swenson
Hufnagle	Limmer	Olsen, S.	Schafer	Tompkins
Hugoson	Lynch	Omann	Schreiber	Uphus
Johnson, V.	Macklin	Onnen	Seaberg	Valento
Knickerbocker	Marsh	Osthoff	Smith	Waltman
Koppendrayer	McPherson	Pauly	Stanius	Weaver
Krambeer	Morrison	Pellow	Sviggum	Welker

Those who voted in the negative were:

Anderson, I.	Frederick	Kelso	Olson, E.	Skoglund
Anderson, R.	Garcia	Kinkel	Olson, K.	Solberg
Battaglia	Greenfield	Krueger	Orenstein	Sparby
Bauerly	Hanson	Lasley	Orfield	Steensma
Beard	Hartle	Leppik	Ostrom	Thompson
Begich	Hasskamp	Lieder	Pelowski	Trimble
Bodahl	Hausman	Lourey	Peterson	Tunheim
Brown	Jacobs	Mariani	Pugh	Vellenga
Carlson	Janezich	McEachern	Reding	Wagenius
Carruthers	Jaros	McGuire	Rest	Wejcman
Clark	Jefferson	Milbert	Rice	Welle
Cooper	Jennings	Munger	Rodosovich	Wenzel
Dauner	Johnson, A.	Murphy	Rukavina	Winter
Dawkins	Johnson, R.	Nelson, S.	Sarna	Spk. Long
Dorn	Kahn	O'Connor	Segal	
Farrell	Kalis	Ogren	Simoneau	

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

Hufnagle moved to amend H. F. No. 1903, the first engrossment, as follows:

Page 13, line 48, delete "1992" and insert "1993"

The motion prevailed and the amendment was adopted.

Sviggum and Schreiber moved to amend H. F. No. 1903, the first engrossment, as amended, as follows:

Page 11, line 30, delete "5,000,000" and insert "4,000,000"

Page 11, delete lines 31 to 39

Page 11, line 40, delete "(b) $4,000,000 of"

Change the totals as necessary

A roll call was requested and properly seconded.

The question was taken on the Sviggum and Schreiber amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Johnson, R.	McPherson	Stanius
Anderson, R. H.	Girard	Kinkel	Morrison	Sviggum
Bettermann	Goodno	Knickerbocker	Nelson, S.	Swenson
Bishop	Gruenes	Koppendrayer	Newinski	Thompson
Blatz	Gutknecht	Krambeer	Olsen, S.	Tompkins
Boo	Hartle	Krinkie	Omann	Uphus
Dauner	Haukoos	Leppik	Onnen	Valento
Davids	Heir	Limmer	Pauly	Waltman
Dille	Henry	Lynch	Schafer	Weaver
Erhardt	Hufnagle	Macklin	Schreiber	Welker
Frederick	Hugoson	Marsh	Smith	

Those who voted in the negative were:

Anderson, I.	Garcia	Lieder	Pellow	Solberg
Anderson, R.	Greenfield	Lourey	Pelowski	Sparby
Battaglia	Hanson	Mariani	Peterson	Steensma
Bauerly	Hasskamp	McGuire	Pugh	Trimble
Beard	Hausman	Milbert	Reding	Tunheim
Begich	Jacobs	Munger	Rest	Vanasek
Bodahl	Jefferson	Murphy	Rice	Vellenga
Brown	Jennings	Ogren	Rodosovich	Wagenius
Carlson	Johnson, A.	Olson, E.	Rukavina	Wejcman
Carruthers	Johnson, V.	Olson, K.	Runbeck	Welle
Clark	Kahn	Orenstein	Sarna	Wenzel
Cooper	Kalis	Orfield	Seaberg	Winter
Dawkins	Kelso	Osthoff	Segal	Spk. Long
Dorn	Krueger	Ostrom	Simoneau	
Farrell	Lasley	Ozment	Skoglund	

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

Cooper moved to amend H. F. No. 1903, the first engrossment, as amended, as follows:

Page 20, after line 10, insert:

"Sec. 26. [APPROPRIATION SHIFTS.]

(a) The appropriations in this act for development of state parks under plans required by Minnesota Statutes, chapter 86A, is increased by $4,000,000.

(b) $2,350,000 is appropriated from the bond proceeds fund to the commissioner of the pollution control agency for supplemental grant adjustments to those municipalities identified in Min-

nesota Statutes, section 116.18, subdivision 3d. A supplemental grant under this paragraph must not exceed 2.5 percent of the total eligible construction costs."

Adjust totals accordingly

Renumber or reletter in sequence

Correct internal references

Amend the title accordingly

The question was taken on the Cooper amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 28 yeas and 101 nays as follows:

Those who voted in the affirmative were:

Bauerly	Hasskamp	Krinkie	Olson, K.	Solberg
Cooper	Jaros	Lasley	Ostrom	Steensma
Dauner	Jennings	Lourey	Peterson	Uphus
Dille	Johnson, R.	Marsh	Rest	Welker
Girard	Johnson, V.	Nelson, S.	Rukavina	
Hartle	Kalis	Ogren	Schafer	

Those who voted in the negative were:

Abrams	Farrell	Koppendrayer	Orenstein	Sviggum
Anderson, I.	Frederick	Krambeer	Orfield	Swenson
Anderson, R.	Garcia	Krueger	Osthoff	Thompson
Anderson, R. H.	Goodno	Leppik	Ozment	Tompkins
Battaglia	Greenfield	Lieder	Pauly	Trimble
Beard	Gruenes	Limmer	Pellow	Tunheim
Begich	Gutknecht	Lynch	Pelowski	Valento
Bertram	Hanson	Macklin	Pugh	Vanasek
Bettermann	Haukoos	Mariani	Reding	Vellenga
Bishop	Hausman	McEachern	Rice	Wagenius
Blatz	Heir	McGuire	Rodosovich	Waltman
Bodahl	Henry	McPherson	Runbeck	Weaver
Boo	Hufnagle	Morrison	Sarna	Wejcman
Brown	Hugoson	Munger	Schreiber	Welle
Carlson	Jacobs	Murphy	Seaberg	Wenzel
Carruthers	Jefferson	Newinski	Segal	Winter
Clark	Johnson, A.	O'Connor	Simoneau	Spk. Long
Davids	Kahn	Olsen, S.	Skoglund	
Dawkins	Kelso	Olson, E.	Smith	
Dorn	Kinkel	Omann	Sparby	
Erhardt	Knickerbocker	Onnen	Stanius	

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

Stanius and Hartle moved to amend H. F. No. 1903, the first engrossment, as amended, as follows:

Page 15, line 35, before "To" insert "(a) $6,050,000 is"

Page 15, after line 45, insert:

"(b) $7,000,000 is to the commissioner of the pollution control agency for supplemental grant adjustments to those municipalities identified in Minnesota Statutes, section 116.18, subdivision 3d. The supplemental grant for each municipality shall be in the amount needed to bring the municipality's total grant for construction of the municipality's treatment works up to the maximum entitlement for grants awarded on or after October 1, 1987, under Minnesota Statutes, section 116.18, subdivisions 2a and 3a."

A roll call was requested and properly seconded.

The question was taken on the Stanius and Hartle amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 46 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Gruenes	Kinkel	Ostrom	Tompkins
Bettermann	Gutknecht	Koppendrayer	Ozment	Uphus
Bishop	Hartle	Krinkie	Pauly	Valento
Blatz	Hasskamp	Lasley	Pellow	Waltman
Boo	Haukoos	Limmer	Peterson	Welker
Cooper	Hufnagle	Lynch	Runbeck	Winter
Davids	Hugoson	Marsh	Schafer	
Dille	Jennings	McPherson	Seaberg	
Erhardt	Johnson, R.	Omann	Stanius	
Girard	Johnson, V.	Onnen	Sviggum	

Those who voted in the negative were:

Abrams	Anderson, R.	Bauerly	Begich	Bodahl
Anderson, I.	Battaglia	Beard	Bertram	Brown

Carlson	Henry	Macklin	Orenstein	Solberg
Carruthers	Jacobs	Mariani	Orfield	Sparby
Clark	Janezich	McEachern	Osthoff	Steensma
Dauner	Jaros	McGuire	Pelowski	Swenson
Dawkins	Jefferson	Milbert	Pugh	Thompson
Dorn	Johnson, A.	Morrison	Reding	Trimble
Farrell	Kahn	Munger	Rest	Tunheim
Frederick	Kalis	Murphy	Rice	Vanasek
Frerichs	Kelso	Nelson, S.	Rodosovich	Vellenga
Garcia	Knickerbocker	Newinski	Rukavina	Wagenius
Goodno	Krambeer	O'Connor	Sarna	Weaver
Greenfield	Krueger	Ogren	Segal	Wejcman
Hanson	Leppik	Olsen, S.	Simoneau	Welle
Hausman	Lieder	Olson, E.	Skoglund	Wenzel
Heir	Lourey	Olson, K.	Smith	Spk. Long

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

Lourey; Anderson, R.; Ogren and Murphy moved to amend H. F. No. 1903, the first engrossment, as amended, as follows:

Page 1, line 24, delete "13,507,000" and insert "27,107,000"

Page 2, line 11, delete "294,207,500" and insert "307,807,000"

Page 2, line 12, delete "247,359,000" and insert "260,959,000"

Page 10, line 17, delete "13,507,000" and insert "27,107,000"

Page 10, after line 54, insert:

"Subd. 8. Regional Treatment Centers 13,600,000

$7,000,000 of this appropriation is for Phase I construction of a new 150-bed freestanding facility for the treatment of individuals with mental illness at Moose Lake.

$6,600,000 of this appropriation is for Phase I construction of a new 100-bed freestanding facility for treatment of individuals with mental illness at Fergus Falls."

Page 20, line 19, delete "$247,359,000" and insert "$260,959,000"

Segal moved to amend the Lourey et al amendment to H. F. No. 1903, the first engrossment, as amended, as follows:

Page 1 after the line reading "illness at Fergus Falls." insert:

"The bonds for the 150-bed freestanding facility at Moose Lake and the 100-bed freestanding facility at Fergus Falls may not be issued until there has been a systemwide analysis of individual needs and may only be issued in conjunction with a comprehensive integrated mental health plan for regional treatment centers and community-based facilities."

Adjust totals accordingly

Renumber or reletter in sequence

Correct internal references

Amend the title accordingly

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

Ogren, Weaver and Jacobs moved to amend the Lourey et al amendment, as amended, to H. F. No. 1903, the first engrossment, as amended, as follows:

Delete "27,107,000" and insert "34,107,000"

Delete "307,807,000" and insert "314,807,000"

Delete "260,959,000" and insert "267,959,000"

Delete "27,107,000" and insert "34,107,000"

Delete "13,600,000" and insert "20,600,000"

After the line reading "illness at Fergus Falls" insert:

"$7,000,000 of this appropriation is for Phase I construction of a new 150-bed freestanding facility for the treatment of individuals with mental illness at Anoka."

Adjust totals accordingly

Renumber or reletter in sequence

Correct internal references

Amend the title accordingly

The question was taken on the amendment to the amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 75 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Farrell	Krambeer	O'Connor	Simoneau
Anderson, R.	Garcia	Krueger	Ogren	Solberg
Battaglia	Greenfield	Lasley	Olson, E.	Sparby
Bauerly	Hanson	Lieder	Olson, K.	Steensma
Beard	Hartle	Lourey	Omann	Swenson
Begich	Hasskamp	Lynch	Ostrom	Thompson
Bertram	Hausman	Macklin	Ozment	Trimble
Bettermann	Heir	Mariani	Peterson	Tunheim
Bodahl	Jacobs	McEachern	Pugh	Uphus
Carlson	Janezich	McGuire	Reding	Vellenga
Carruthers	Jaros	Milbert	Rest	Wagenius
Clark	Jennings	Munger	Rodosovich	Weaver
Cooper	Johnson, A.	Murphy	Rukavina	Wenzel
Dauner	Johnson, R.	Nelson, S.	Runbeck	Winter
Dawkins	Kinkel	Newinski	Sarna	Spk. Long

Those who voted in the negative were:

Abrams	Frerichs	Knickerbocker	Orfield	Smith
Anderson, R. H.	Girard	Koppendrayer	Osthoff	Stanius
Bishop	Goodno	Krinkie	Pauly	Sviggum
Blatz	Gruenes	Leppik	Pellow	Tompkins
Boo	Haukoos	Limmer	Pelowski	Valento
Davids	Henry	Marsh	Rice	Waltman
Dempsey	Hufnagle	McPherson	Schafer	Wejcman
Dille	Hugoson	Morrison	Schreiber	Welker
Dorn	Johnson, V.	Olsen, S.	Seaberg	Welle
Erhardt	Kalis	Onnen	Segal	
Frederick	Kelso	Orenstein	Skoglund	

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

Segal moved to amend the Lourey et al amendment, as amended, to H. F. No. 1903, the first engrossment, as amended, as follows:

Page 1, line 6, of the Segal amendment to the Lourey et al amendment, after "Fergus Falls" insert:

"and the 150-bed freestanding facility at the Anoka Regional Treatment Center"

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

The question recurred on the Lourey et al amendment, as amended, and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 70 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Kelso	Orfield	Sparby
Anderson, R.	Greenfield	Kinkel	Ostrom	Steensma
Battaglia	Hanson	Lasley	Peterson	Thompson
Bauerly	Hasskamp	Lieder	Pugh	Trimble
Beard	Hausman	Lourey	Reding	Tunheim
Begich	Jacobs	Mariani	Rest	Vanasek
Bodahl	Janezich	McGuire	Rice	Vellenga
Carlson	Jaros	Milbert	Rodosovich	Wagenius
Carruthers	Jefferson	Munger	Rukavina	Weaver
Clark	Jennings	Murphy	Runbeck	Wejcman
Cooper	Johnson, A.	Nelson, S.	Sarna	Welle
Dauner	Johnson, R.	O'Connor	Simoneau	Wenzel
Dawkins	Kahn	Ogren	Skoglund	Winter
Farrell	Kalis	Olson, K.	Solberg	Spk. Long

Those who voted in the negative were:

Abrams	Frerichs	Koppendrayer	Olsen, S.	Smith
Anderson, R. H.	Girard	Krambeer	Omann	Stanius
Bertram	Goodno	Krinkie	Onnen	Sviggum
Bettermann	Gruenes	Krueger	Orenstein	Swenson
Bishop	Gutknecht	Leppik	Osthoff	Tompkins
Blatz	Hartle	Limmer	Ozment	Uphus
Boo	Haukoos	Lynch	Pauly	Valento
Davids	Heir	Macklin	Pellow	Waltman
Dempsey	Henry	Marsh	Pelowski	Welker
Dille	Hufnagle	McEachern	Schafer	
Dorn	Hugoson	McPherson	Schreiber	
Erhardt	Johnson, V.	Morrison	Seaberg	
Frederick	Knickerbocker	Newinski	Segal	

The motion prevailed and the amendment, as amended, was adopted.

H. F. No. 1903, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with

certain conditions; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1990, section 124.495; Minnesota Statutes 1991 Supplement, section 124.479; proposing coding for new law in Minnesota Statutes, chapters 124; and 124C.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 90 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Frederick	Kelso	O'Connor	Simoneau
Anderson, R.	Garcia	Kinkel	Ogren	Skoglund
Battaglia	Goodno	Koppendrayer	Olson, E.	Solberg
Bauerly	Greenfield	Krambeer	Olson, K.	Sparby
Beard	Gruenes	Krueger	Omann	Steensma
Begich	Hanson	Lasley	Orenstein	Swenson
Bertram	Hasskamp	Lieder	Osthoff	Thompson
Bettermann	Hausman	Lourey	Ostrom	Trimble
Blatz	Hufnagle	Macklin	Pelowski	Tunheim
Bodahl	Jacobs	Mariani	Peterson	Uphus
Brown	Janezich	Marsh	Pugh	Vellenga
Carlson	Jaros	McEachern	Reding	Wagenius
Carruthers	Jefferson	McGuire	Rest	Wejcman
Clark	Jennings	Milbert	Rice	Welker
Cooper	Johnson, A.	Munger	Rodosovich	Welle
Dawkins	Johnson, R.	Murphy	Rukavina	Wenzel
Dorn	Kahn	Nelson, S.	Sarna	Winter
Farrell	Kalis	Newinski	Schreiber	Spk. Long

Those who voted in the negative were:

Abrams	Frerichs	Johnson, V.	Olsen, S.	Segal
Anderson, R. H.	Girard	Knickerbocker	Onnen	Smith
Bishop	Gutknecht	Krinkie	Ozment	Stanius
Boo	Hartle	Leppik	Pauly	Sviggum
Davids	Haukoos	Limmer	Pellow	Tompkins
Dempsey	Heir	Lynch	Runbeck	Valento
Dille	Henry	McPherson	Schafer	Waltman
Erhardt	Hugoson	Morrison	Seaberg	Weaver

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

SPECIAL ORDERS

Welle moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Welle moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Carruthers moved that the names of Pugh, Rest, Swenson and Macklin be added as authors on H. F. No. 2181. The motion prevailed.

Rice moved that the name of Sarna be added as an author on H. F. No. 2302. The motion prevailed.

Jefferson moved that the names of Dawkins and Clark be added as authors on H. F. No. 2352. The motion prevailed.

Lasley moved that the names of Kalis, Valento, Steensma and Uphus be added as authors on H. F. No. 2368. The motion prevailed.

Bodahl moved that the name of McGuire be stricken and the name of Dawkins be added as an author on H. F. No. 2501. The motion prevailed.

Segal moved that H. F. No. 1521 be returned to its author. The motion prevailed.

Segal moved that H. F. No. 2530 be returned to its author. The motion prevailed.

Segal moved that H. F. No. 2770 be returned to its author. The motion prevailed.

Pellow moved that H. F. No. 2396 be returned to its author. The motion prevailed.

Anderson, R., moved that H. F. No. 2883 be returned to its author. The motion prevailed.

Jefferson moved that H. F. No. 123 be returned to its author. The motion prevailed.

Jefferson moved that H. F. No. 1979 be returned to its author. The motion prevailed.

Orfield moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the affirmative on Tuesday, March 24, 1992, when the final vote was taken on the passage of H. F. No. 2113." The motion prevailed.

ADJOURNMENT

Welle moved that when the House adjourns today it adjourn until 1:30 p.m., Monday, March 30, 1992. The motion prevailed.

Welle moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:30 p.m., Monday, March 30, 1992.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

EIGHTY-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MARCH 27, 1992

The Senate met on Friday, March 27, 1992, which was the Eighty-sixth Legislative Day of the Seventy-seventh Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

EIGHTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 30, 1992

The House of Representatives convened at 1:30 p.m. and was called to order by Dee Long, Speaker of the House.

Prayer was offered by Dr. John Eagen, Grace Church Edina, Edina, Minnesota.

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

The roll was called and the following members were present:

Abrams	Frederick	Kelso	Ogren	Simoneau
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krambeer	Omann	Sparby
Bauerly	Greenfield	Krinkie	Onnen	Stanius
Beard	Gruenes	Krueger	Orenstein	Steensma
Begich	Gutknecht	Lasley	Orfield	Sviggum
Bertram	Hanson	Leppik	Osthoff	Swenson
Bettermann	Hartle	Lieder	Ostrom	Thompson
Bishop	Hasskamp	Limmer	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vanasek
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Schreiber	Winter
Erhardt	Kahn	Newinski	Seaberg	Spk. Long
Farrell	Kalis	O'Connor	Segal	

A quorum was present.

The Chief Clerk proceeded to read the Journals of the preceding

days. Nelson, S., moved that further reading of the Journals be dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 512 and H. F. No. 829, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bertram moved that the rules be so far suspended that S. F. No. 512 be substituted for H. F. No. 829 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1691 and H. F. No. 2206, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pugh moved that the rules be so far suspended that S. F. No. 1691 be substituted for H. F. No. 2206 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1787 and H. F. No. 2324, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Davids moved that the rules be so far suspended that S. F. No. 1787 be substituted for H. F. No. 2324 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1794 and H. F. No. 2051, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Reding moved that S. F. No. 1794 be substituted for H. F. No. 2051 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1985 and H. F. No. 2242, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

McGuire moved that the rules be so far suspended that S. F. No. 1985 be substituted for H. F. No. 2242 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2257 and H. F. No. 2633, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Winter moved that the rules be so far suspended that S. F. No. 2257 be substituted for H. F. No. 2633 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2328 and H. F. No. 2594, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Seaberg moved that the rules be so far suspended that S. F. No. 2328 be substituted for H. F. No. 2594 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2392 and H. F. No. 2619, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rodosovich moved that the rules be so far suspended that S. F. No. 2392 be substituted for H. F. No. 2619 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 20, 1992

The Honorable Joan Anderson Growe
Secretary of State
The State of Minnesota

Dear Secretary of State Growe:

It is my honor to inform you that I have allowed House File No. 2044 (Chapter 366) to become law without my signature.

H. F. No. 2044, relating to water; creating an exemption from certain requirements relating to once-through water use permits.

With this correspondence, House File No. 2044 (Chapter 366) is submitted to you for your filing.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 20, 1992

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

Dear Speaker Long:

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

H. F. No. 917, relating to commerce; requiring additional license for motor vehicle lessor, wholesaler, or auctioneer when establishing additional place of doing business in a second class city outside of the metropolitan area.

H. F. No. 2259, relating to retirement; setting an earlier accrual date for a certain retired member of the state retirement system.

H. F. No. 2002, relating to community service; directing the Minnesota office on volunteer services to prepare a federal grant proposal.

Warmest regards,

ARNE H. CARLSON
Governor

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

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1992 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	*H.F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 1992*	*Date Filed 1992*
	2044**	366		March 23
	917	367	4:20 p.m. March 20	March 23
	2259	368	4:23 p.m. March 20	March 23
	2002	369	4:25 p.m. March 20	March 23

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

[NOTE: ** House File No. 2044 became law without Governor's signature.]

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 25, 1992

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

Dear Speaker Long:

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

H. F. No. 1911, relating to state lands; authorizing the private sale of certain land which was exchanged for tax-forfeited land; authorizing the commissioner of natural resources to sell certain land and related improvements located in Cass county to the United States of America; requiring the commissioner of natural resources to convey certain land to Hubbard county.

Warmest regards,

ARNE H. CARLSON
Governor

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

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1992 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	*H.F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 1992*	*Date Filed 1992*
	1911	370	9:42 a.m. March 25	March 25

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 1750, A bill for an act relating to horse racing; prohibiting pari-mutuel licensees from accepting wagers made by telephone or made on credit; amending Minnesota Statutes 1991 Supplement, section 240.13, subdivision 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

RECODIFICATION OF GAMBLING TAX LAWS

Section 1. [297E.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to this chapter.

Subd. 2. [BINGO.] "Bingo" means a game where each player has a game sheet, card, or paper, for which a consideration has been paid, which has numbered spaces printed on it in a prearranged manner. Bingo may also be played with sheets, cards, or paper where the numbers in each space are not preprinted, but are filled in by players before the start of a game, or where figures are used in place of numbers. Bingo is played by random selection of numbers or figures for comparison with the numbers or figures on each player's game sheet, card, or paper. As the selected numbers or figures are announced, players mark them off on their game sheet, card, or paper, to document which numbers or figures have been selected. The game is won by persons who have a game sheet, card, or paper that has the selected numbers or figures, and any spaces marked "free," arranged on it in the lines, figures, designs, or patterns that were designated in advance as the winning lines, figures, designs, or patterns.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of revenue or a person to whom the commissioner has delegated functions.

Subd. 4. [CONTRABAND.] For purposes of this chapter, "contraband" means all of the items listed in section 349.2125, and all pull-tab or tipboard deals or portions of deals on which the tax imposed under section 297E.02 has not been paid.

Subd. 5. [DISTRIBUTOR.] "Distributor" means a person who markets, sells, or provides gambling product to a person or entity for resale or use at the retail level.

Subd. 6. [FISCAL YEAR.] "Fiscal year" means the period from July 1 to June 30.

Subd. 7. [GAMBLING PRODUCT.] "Gambling product" means bingo cards, paper, or sheets; pull-tabs; tipboards; paddletickets and paddleticket cards; raffle tickets; or any other ticket, card, board, placard, device, or token that represents a chance, for which consideration is paid, to win a prize.

Subd. 8. [GROSS RECEIPTS.] "Gross receipts" means all receipts derived from lawful gambling activity including, but not limited to, the following items:

(1) gross sales of bingo cards and sheets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(2) the ideal gross of pull-tab and tipboard deals or games less the value of unsold and defective tickets and before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(3) gross sales of raffle tickets and paddle tickets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(4) admission, commission, cover, or other charges imposed on participants in lawful gambling activity as a condition for or cost of participation; and

(5) interest, dividends, annuities, profit from transactions, or other income derived from the accumulation or use of gambling proceeds.

Gross receipts does not include proceeds from rental under section 349.164 or 349.18, subdivision 3, for duly licensed bingo hall lessors.

Subd. 9. [IDEAL GROSS.] "Ideal gross" means the total amount of receipts that would be received if every individual ticket in the pull-tab or tipboard deal was sold at its face value. In the calculation of ideal gross and prizes, a free play ticket shall be valued at face value.

Subd. 10. [MANUFACTURER.] "Manufacturer" means a person or entity who:

(1) assembles from raw materials, or from subparts or other

components, a completed item of gambling product for resale, use, or receipt in Minnesota; or

(2) sells, furnishes, ships, or imports completed gambling product from outside Minnesota for resale, use, receipt, or storage in Minnesota; or

(3) being within the state, assembles, produces, or otherwise creates gambling products.

Subd. 11. [PRIZE.] "Prize" means a thing of value offered or awarded to the winner of a lawful gambling game.

Subd. 12. [PULL-TAB.] "Pull-tab" means a ticket with one or more concealed numbers or symbols printed on it, and with one or more tickets in a deal designated in advance as a winning ticket, as determined by the numbers or symbols on the ticket.

Subd. 13. [RAFFLE.] "Raffle" means a game in which a participant buys a ticket for a chance at a prize, with the winner determined by a random drawing.

Subd. 14. [RETAIL LEVEL.] "Retail level" means an activity where gambling product is sold to players or participants in taxable gambling games and where the players or participants give consideration for a chance to win a prize.

Subd. 15. [TAXPAYER.] "Taxpayer" means a person subject to or liable for a tax imposed by this chapter, a person required to file reports or returns with the commissioner under this chapter, a person required to keep or retain records under this chapter, or a person required by this chapter to obtain or hold a permit.

Subd. 16. [TICKET.] "Ticket" means a valid token, card, or other tangible voucher, other than bingo cards, sheets, or paper, that grants the holder a chance or chances to participate in a game of lawful gambling.

Subd. 17. [TIPBOARD.] "Tipboard" has the meaning given in section 349.12 and the meaning given by the board in rule. Tipboard also means a board, placard, or other device marked with sections, where sections are selected by participants, and where secret or unknown numbers or symbols associated with each section determine the participants' chances to win a prize. Tipboard also includes boards, placards, or other devices that use the outcome of sporting or other events to determine winning chances.

Subd. 18. [OTHER WORDS.] Unless specifically defined in this chapter, or unless the context clearly indicates otherwise, the words used in this chapter have the meanings given them in chapter 349.

Sec. 2. [297E.02] [TAX IMPOSED.]

Subdivision 1. [IMPOSITION.] A tax is imposed on all lawful gambling other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, at the rate of ten percent on the gross receipts as defined in section 349.12, subdivision 21, less prizes actually paid. The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.02 and all local taxes and license fees except a fee authorized under section 349.16, subdivision 8, or a tax authorized under subdivision 5.

The tax imposed under this subdivision is payable by the organization or party conducting, directly or indirectly, the gambling.

Subd. 2. [TAX-EXEMPT GAMBLING.] An organization's receipts from lawful gambling that are excluded or exempt from licensing under section 349.166, are not subject to the tax imposed by this section or section 297A.02. This exclusion from tax is only valid if at the time of the event giving rise to the tax the organization either has an exclusion under section 349.166, subdivision 1, or has applied for and received a valid exemption from the lawful gambling control board.

Subd. 3. [COLLECTION; DISPOSITION.] Taxes imposed by this section are due and payable to the commissioner when the gambling tax return is required to be filed. Returns covering the taxes imposed under this section must be filed with the commissioner on or before the 20th day of the month following the close of the previous calendar month. The commissioner may require that the returns be filed via magnetic media or electronic data transfer. The proceeds, along with the revenue received from all license fees and other fees under sections 349.11 to 349.191, 349.211, and 349.213, must be paid to the state treasurer for deposit in the general fund.

Subd. 4. [PULL-TAB AND TIPBOARD TAX.] (a) A tax is imposed on the sale of each deal of pull-tabs and tipboards sold by a distributor. The rate of the tax is two percent of the ideal gross of the pull-tab or tipboard deal. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the distributor is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 8.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the customer or to a common or contract carrier for delivery to the customer, or when received by the customer's authorized represen-

tative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

The tax imposed by this subdivision is imposed on all sales of pull-tabs and tipboards, except the following:

(1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;

(2) sales to distributors licensed under the laws of another state or of a province of Canada, as long as all statutory and regulatory requirements are met in the other state or province;

(3) sales of promotional tickets as defined in section 349.12; and

(4) pull-tabs and tipboards sold to an organization that sells pull-tabs and tipboards under the exemption from licensing in section 349.166, subdivision 2. A distributor shall require an organization conducting exempt gambling to show proof of its exempt status before making a tax-exempt sale of pull-tabs or tipboards to the organization. A distributor shall identify, on all reports submitted to the commissioner, all sales of pull-tabs and tipboards that are exempt from tax under this subdivision.

(c) A distributor having a liability of $240,000 or more during a fiscal year ending June 30 must remit all liabilities in the subsequent calendar year by a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds-transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds-transfer business day next following the date the tax is due.

Subd. 5. [LOCAL GAMBLING TAX.] A statutory or home rule charter city that has one or more licensed organizations operating lawful gambling, and a county that has one or more licensed organizations outside incorporated areas operating lawful gambling, may impose a local gambling tax on each licensed organization within the city's or county's jurisdiction. The tax may be imposed only if the amount to be received by the city or county is necessary to cover the costs incurred by the city or county to regulate lawful gambling. The tax imposed by this subdivision may not exceed three percent of the gross receipts of a licensed organization from all lawful gambling less prizes actually paid out by the organization. A city or county may not use money collected under this subdivision for any purpose other than to regulate lawful gambling. A tax imposed under this subdivision is in lieu of all other local taxes and local investigation fees on lawful gambling. A city or county that imposes a tax under this subdivision shall annually, by March 15, file a report with the board in a form prescribed by the board

showing (1) the amount of revenue produced by the tax during the preceding calendar year, and (2) the use of the proceeds of the tax.

Subd. 6. [COMBINED RECEIPTS TAX.] In addition to the taxes imposed under subdivisions 1 and 4, a tax is imposed on the combined receipts of the organization. As used in this section, "combined receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of bingo, raffles, and paddlewheels, as defined in section 349.12, subdivision 21, for the fiscal year. The combined receipts of an organization are subject to a tax computed according to the following schedule:

If the combined receipts for the fiscal year are:	The tax is:
Not over $500,000	zero
Over $500,000, but not over $700,000	two percent of the amount over $500,000, but not over $700,000
Over $700,000, but not over $900,000	$4,000 plus four percent of the amount over $700,000, but not over $900,000
Over $900,000	$12,000 plus six percent of the amount over $900,000

Subd. 7. [UNTAXED GAMBLING PRODUCT.] (a) In addition to penalties or criminal sanctions imposed by this chapter, a person, organization, or business entity possessing or selling a pull-tab or tipboard upon which the tax imposed by subdivision 4 has not been paid is liable for a tax of six percent of the ideal gross of each pull-tab or tipboard. The tax on a partial deal must be assessed as if it were a full deal.

(b) In addition to penalties and criminal sanctions imposed by this chapter, a person not licensed by the board who conducts bingo, raffles, or paddlewheel games is liable for a tax of six percent of the gross receipts from that activity.

(c) The tax must be assessed by the commissioner. An assessment must be considered a jeopardy assessment or jeopardy collection as provided in section 270.70. The commissioner shall assess the tax based on personal knowledge or information available to the commissioner. The commissioner shall mail to the taxpayer at the taxpayer's last known address, or serve in person, a written notice of the amount of tax, demand its immediate payment, and, if payment is not immediately made, collect the tax by any method described in chapter 270, except that the commissioner need not await the expiration of the times specified in chapter 270. The tax assessed by

the commissioner is presumed to be valid and correctly determined and assessed. The burden is upon the taxpayer to show its incorrectness or invalidity. The tax imposed under this subdivision does not apply to gambling that is exempt from taxation under subdivision 2.

Subd. 8. [PERSONAL DEBT.] The tax imposed by this section, and interest and penalties imposed with respect to it, are a personal debt of the person required to file a return from the time the liability for it arises, irrespective of when the time for payment of the liability occurs. The debt must, in the case of the executor or administrator of the estate of a decedent and in the case of a fiduciary, be that of the person in the person's official or fiduciary capacity only unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person is personally liable for any deficiency.

Subd. 9. [PUBLIC INFORMATION.] All records concerning the administration of the taxes under this chapter are classified as public information.

Subd. 10. [REFUNDS; APPROPRIATION.] A person who has, under this chapter, paid to the commissioner an amount of tax for a period in excess of the amount legally due for that period, may file with the commissioner a claim for a refund of the excess. The amount necessary to pay the refunds is appropriated from the general fund to the commissioner.

Subd. 11. [UNPLAYED OR DEFECTIVE PULL-TABS OR TIPBOARDS.] If a deal of pull-tabs or tipboards registered with the board and upon which the tax imposed by subdivision 4 has been paid is returned unplayed to the distributor, the commissioner shall allow a refund of the tax paid.

If a defective deal registered with the board and upon which the taxes have been paid is returned to the manufacturer, the distributor shall submit to the commissioner of revenue certification from the manufacturer that the deal was returned and in what respect it was defective. The certification must be on a form prescribed by the commissioner and must contain additional information the commissioner requires.

The commissioner may require that no refund under this subdivision be made unless the returned pull-tabs or tipboards have been set aside for inspection by the commissioner's employee.

Reductions in previously paid taxes authorized by this subdivision must be made when and in the manner prescribed by the commissioner.

Sec. 3. [297E.03] [GAMBLING PRODUCT INVENTORY PERMIT.]

Subdivision 1. [APPLICATION AND ISSUANCE.] A distributor who sells gambling products under this chapter must file with the commissioner an application, on a form prescribed by the commissioner, for a gambling product inventory permit and identification number. The commissioner, when satisfied that the applicant has a valid license from the board, shall issue the applicant a permit and number. A permit is not assignable and is valid only for the distributor in whose name it is issued.

Subd. 2. [SUSPENSION; REVOCATION.] (a) If a distributor fails to comply with this chapter or a rule of the commissioner, or if a license issued under chapter 349 is revoked or suspended, the commissioner, after giving notice, may for reasonable cause revoke or suspend a permit held by a distributor. A notice must be sent to the distributor at least 15 days before the proposed suspension or revocation is to take effect. The notice must give the reason for the proposed suspension or revocation and must require the distributor to show cause why the proposed action should not be taken. The notice may be served personally or by mail.

(b) The notice must inform the distributor of the right to a contested case hearing. If a request is made in writing to the commissioner within 14 days of the date of the notice, the commissioner shall defer action on the suspension or revocation and shall refer the case to the office of administrative hearings for the scheduling of a contested case hearing. The distributor must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the distributor.

(c) The commissioner shall issue a final order following receipt of the recommendation of the administrative law judge.

(d) Under section 271.06, subdivision 1, an appeal to the tax court may be taken from the commissioner's order of revocation or suspension. The commissioner may not issue a new permit after revocation except upon application accompanied by reasonable evidence of the intention of the applicant to comply with all applicable laws and rules.

Sec. 4. [297E.04] [MANUFACTURER'S REPORTS AND RECORDS.]

Subdivision 1. [REPORTS REQUIRED; PENALTY.] A manufacturer who sells gambling product for use in this state, or for receipt by a person or entity in this state, shall file with the commissioner, on a form prescribed by the commissioner, a report of gambling product sold to any person in the state, including the established governing body of Indian tribes recognized by the United States

Department of the Interior. The report must be filed monthly on or before the 20th day of the month succeeding the month in which the sale was made. The commissioner may require that the report be submitted via magnetic media or electronic data transfer. The commissioner may inspect the premises, books, records, and inventory of a manufacturer without notice during the normal business hours of the manufacturer. A person violating this section is guilty of a misdemeanor.

Subd. 2. [BAR CODES.] The flare of each pull-tab and tipboard game must be imprinted by the manufacturer with a bar code that provides all information prescribed by the commissioner. A manufacturer must also affix to the outside of the box containing these games a bar code providing all information prescribed by the commissioner. The commissioner may also prescribe additional bar coding requirements.

No person may alter the bar code that appears on the outside of a box containing a deal of pull-tabs and tipboards. Possession of a box containing a deal of pull-tabs and tipboards that has a bar code different from the bar code of the deal inside the box is prima facie evidence that the possessor has altered the bar code on the box.

Sec. 5. [297E.05] [DISTRIBUTOR REPORTS AND RECORDS.]

Subdivision 1. [BUSINESS RECORDS.] A distributor shall keep at each place of business complete and accurate records for that place of business, including itemized invoices of gambling product held, purchased, manufactured, or brought in or caused to be brought in from without this state, and of all sales of gambling product. The records must show the names and addresses of purchasers, the inventory at the close of each period for which a return is required of all gambling product on hand, and other pertinent papers and documents relating to the purchase, sale, or disposition of gambling product. Books, records, itemized invoices, and other papers and documents required by this section must be kept for a period of at least 3-1/2 years after the date of the documents, or the date of the entries appearing in the records, unless the commissioner of revenue authorizes in writing their destruction or disposal at an earlier date.

Subd. 2. [SALES RECORDS.] A distributor must maintain a record of all gambling product that it sells. The record must include:

(1) the identity of the person or firm from whom the distributor purchased the product;

(2) the registration number of the product;

(3) the name, address, and license or exempt permit number of the organization or person to which the sale was made;

(4) the date of the sale;

(5) the name of the person who ordered the product;

(6) the name of the person who received the product;

(7) the type of product;

(8) the serial number of the product;

(9) the name, form number, or other identifying information for each game; and

(10) in the case of bingo cards sold on and after January 1, 1991, the individual number of each card.

Subd. 3. [INVOICES.] A distributor shall give with each sale of gambling product an itemized invoice showing the distributor's name and address, the purchaser's name and address, the date of the sale, and the description of the deals, including the ideal gross from every deal of pull-tabs and every deal of tipboards.

Subd. 4. [REPORTS.] A distributor shall report monthly to the commissioner, on a form the commissioner prescribes, its sales of each type of gambling product. This report must be filed monthly on or before the 20th day of the month succeeding the month in which the sale was made. The commissioner may require that a distributor submit the monthly report and invoices required in this subdivision via magnetic media or electronic data transfer.

Subd. 5. [CERTIFIED PHYSICAL INVENTORY.] The commissioner may, upon request, require a distributor to furnish a certified physical inventory of all gambling product in stock. The inventory must contain the information required by the commissioner.

Sec. 6. [297E.06] [ORGANIZATION REPORTS AND RECORDS.]

Subdivision 1. [REPORTS.] An organization must file with the commissioner, on a form prescribed by the commissioner, a report showing all gambling activity conducted by that organization for each month. Gambling activity includes all gross receipts, prizes, all gambling taxes owed or paid to the commissioner, all gambling expenses, and all lawful purpose and board-approved expenditures. The report must be filed with the commissioner on or before the 20th day of the month following the month in which the gambling activity takes place. The commissioner may require that the reports be filed via magnetic media or electronic data transfer.

Subd. 2. [BUSINESS RECORDS.] An organization shall maintain records supporting the gambling activity reported to the commissioner. Records include, but are not limited to, the following items:

(1) all winning and unsold tickets, cards, or stubs for pull-tab, tipboard, paddlewheel, and raffle games;

(2) all reports and statements, including checker's records, for each bingo occasion;

(3) all cash journals and ledgers, deposit slips, register tapes, and bank statements supporting gambling activity receipts;

(4) all invoices that represent purchases of gambling product;

(5) all canceled checks, check recorders, journals and ledgers, vouchers, invoices, bank statements, and other documents supporting gambling activity expenditures; and

(6) all organizational meeting minutes.

All records required to be kept by this section must be preserved by the organization for at least 3-1/2 years and may be inspected by the commissioner of revenue at any reasonable time without notice or a search warrant.

Subd. 3. [ACCOUNTS.] All gambling activity transactions must be segregated from all other revenues and expenditures made by the conducting organization.

Subd. 4. [AUDIT.] (a) An organization licensed under chapter 349, other than an organization subject to an audit every two years under paragraph (b), must have an annual financial audit of its lawful gambling activities performed by an independent accountant licensed by the state of Minnesota.

(b) An organization licensed under chapter 349 that (1) has never had gross receipts from lawful gambling of more than $100,000 in any calendar year, and (2) has been licensed under chapter 349 for at least one year, must have a financial audit of its lawful gambling activities performed once every two years, unless the commissioner determines on the basis of a previous audit of the organization that the organization's lawful gambling activities should be audited annually. The commissioner may at any time withdraw the requirement for an annual audit for organizations subject to this paragraph.

(c) The commissioner shall prescribe standards for audits required under this subdivision. A complete, true, and correct copy of the audit report must be filed as prescribed by the commissioner of revenue.

Sec. 7. [297E.07] [INSPECTION RIGHTS.]

At any reasonable time, without notice and without a search warrant, the commissioner may enter a place of business of a manufacturer, distributor, or organization; any site from which pull-tabs or tipboards or other gambling equipment or gambling product are being manufactured, stored, or sold; or any site at which lawful gambling is being conducted, and inspect the premises, books, records, and other documents required to be kept under this chapter to determine whether or not this chapter is being fully complied with. If the commissioner is denied free access to or is hindered or interfered with in making an inspection of the place of business, books, or records, the permit of the distributor may be revoked by the commissioner, and the license of the manufacturer, the distributor, or the organization may be revoked by the board.

Sec. 8. [297E.08] [EXAMINATIONS.]

Subdivision 1. [EXAMINATION OF TAXPAYER.] To determine the accuracy of a return or report, or in fixing liability under this chapter, the commissioner may make reasonable examinations or investigations of a taxpayer's place of business, tangible personal property, equipment, computer systems and facilities, pertinent books, records, papers, vouchers, computer printouts, accounts, and documents.

Subd. 2. [ACCESS TO RECORDS OF OTHER PERSONS IN CONNECTION WITH EXAMINATION OF TAXPAYER.] When conducting an investigation or an audit of a taxpayer, the commissioner may examine, except where privileged by law, the relevant records and files of a person, business, institution, financial institution, state agency, agency of the United States government, or agency of another state where permitted by statute, agreement, or reciprocity. The commissioner may compel production of these records by subpoena. A subpoena may be served directly by the commissioner.

Subd. 3. [POWER TO COMPEL TESTIMONY.] In the administration of this chapter, the commissioner may:

(1) administer oaths or affirmations and compel by subpoena the attendance of witnesses, testimony, and the production of a person's pertinent books, records, papers, or other data;

(2) examine under oath or affirmation any person regarding the business of a taxpayer concerning a matter relevant to the administration of this chapter. The fees of witnesses required by the commissioner to attend a hearing are equal to those allowed to witnesses appearing before courts of this state. The fees must be paid in the manner provided for the payment of other expenses incident to the administration of state tax law; and

(3) in addition to other remedies available, bring an action in equity by the state against a taxpayer for an injunction ordering the taxpayer to file a complete and proper return or amended return. The district courts of this state have jurisdiction over the action, and disobedience of an injunction issued under this clause must be punished as for contempt.

Subd. 4. [THIRD-PARTY SUBPOENA WHERE TAXPAYER'S IDENTITY IS KNOWN.] An investigation may extend to any person that the commissioner determines has access to information that may be relevant to the examination or investigation. If a subpoena requiring the production of records under subdivision 2 is served on a third-party record keeper, written notice of the subpoena must be mailed to the taxpayer and to any other person who is identified in the subpoena. The notices must be given within three days of the day on which the subpoena is served. Notice to the taxpayer required by this section is sufficient if it is mailed to the last address on record with the commissioner of revenue.

The provisions of this subdivision relating to notice to the taxpayer or other parties identified in the subpoena do not apply if there is reasonable cause to believe that the giving of notice may lead to attempts to conceal, destroy, or alter records relevant to the examination, to prevent the communication of information from other persons through intimidation, bribery, or collusion, or to flee to avoid prosecution, testifying, or production of records.

Subd. 5. [THIRD-PARTY SUBPOENA WHERE TAXPAYER'S IDENTITY IS NOT KNOWN.] A subpoena that does not identify the person or persons whose tax liability is being investigated may be served only if:

(1) the subpoena relates to the investigation of a particular person or ascertainable group or class of persons;

(2) there is a reasonable basis for believing that the person or group or class of persons may fail or may have failed to comply with tax laws administered by the commissioner of revenue;

(3) the subpoena is clear and specific concerning information sought to be obtained; and

(4) the information sought to be obtained is limited solely to the scope of the investigation.

A party served with a subpoena that does not identify the person or persons with respect to whose tax liability the subpoena is issued may, within three days after service of the subpoena, petition the district court in the judicial district in which that party is located for a determination whether the commissioner of revenue has complied

with all the requirements in clauses (1) to (4), and whether the subpoena is enforceable. If no petition is made by the party served within the time prescribed, the subpoena has the effect of a court order.

Subd. 6. [REQUEST BY TAXPAYER FOR SUBPOENA.] If the commissioner has the power to issue a subpoena for investigative or auditing purposes, the commissioner shall honor a reasonable request by the taxpayer to issue a subpoena on the taxpayer's behalf in connection with the investigation or audit.

Subd. 7. [APPLICATION TO COURT FOR ENFORCEMENT OF SUBPOENA.] The commissioner or the taxpayer may apply to the district court of the county of the taxpayer's residence, place of business, or county where the subpoena can be served as with any other case at law, for an order compelling the appearance of the subpoenaed witness or the production of the subpoenaed records. Failure to comply with the order of the court for the appearance of a witness or the production of records may be punished by the court as for contempt.

Subd. 8. [COST OF PRODUCTION OF RECORDS.] The cost of producing records of a third party required by a subpoena must be paid by the taxpayer if the taxpayer requests the subpoena to be issued or if the taxpayer has the records available but has refused to provide them to the commissioner. In other cases where the taxpayer cannot produce records and the commissioner then issues a subpoena for third-party records, the commissioner shall pay the reasonable cost of producing the records. The commissioner may later assess the reasonable costs against the taxpayer if the records contribute to the determination of an assessment of tax against the taxpayer.

Sec. 9. [297E.09] [ASSESSMENTS.]

Subdivision 1. [GENERALLY.] The commissioner shall make determinations, corrections, and assessments with respect to taxes, including interest, additions to taxes, and assessable penalties, imposed under this chapter.

Subd. 2. [COMMISSIONER FILED RETURNS.] If a taxpayer fails to file a return required by this chapter, the commissioner may make a return for the taxpayer from information in the commissioner's possession or obtainable by the commissioner. The return is prima facie correct and valid.

Subd. 3. [ORDER OF ASSESSMENT; NOTICE AND DEMAND TO TAXPAYER.] (a) If a return has been filed and the commissioner determines that the tax disclosed by the return is different from the tax determined by the examination, the commissioner shall send an order of assessment to the taxpayer. The order must explain the

basis for the assessment and must explain the taxpayer's appeal rights. An assessment by the commissioner must be made by recording the liability of the taxpayer in the office of the commissioner, which may be done by keeping a copy of the order of assessment sent to the taxpayer. An order of assessment is final when made but may be reconsidered by the commissioner under section 349.219.

(b) The amount of unpaid tax shown on the order must be paid to the commissioner:

(1) within 60 days after notice of the amount and demand for its payment have been mailed to the taxpayer by the commissioner; or

(2) if an administrative appeal is filed under section 349.219 within 60 days following the determination or compromise of the appeal.

Subd. 4. [ERRONEOUS REFUNDS.] An erroneous refund is considered an underpayment of tax on the date made. An assessment of a deficiency arising out of an erroneous refund may be made at any time within two years from the making of the refund. If part of the refund was induced by fraud or misrepresentation of a material fact, the assessment may be made at any time.

Subd. 5. [ASSESSMENT PRESUMED VALID.] A return or assessment made by the commissioner is prima facie correct and valid. The taxpayer has the burden of establishing the incorrectness or invalidity of the return or assessment in any action or proceeding in respect to it.

Subd. 6. [AGGREGATE REFUND OR ASSESSMENT.] On examining returns of a taxpayer for more than one year or period, the commissioner may issue one order covering the period under examination that reflects the aggregate refund or additional tax due.

Subd. 7. [SUFFICIENCY OF NOTICE.] An order of assessment sent by United States mail, postage prepaid to the taxpayer at the taxpayer's last known address, is sufficient even if the taxpayer is deceased or is under a legal disability, or, in the case of a corporation, has terminated its existence, unless the department has been provided with a new address by a party authorized to receive notices of assessment.

Sec. 10. [297E.10] [EXTENSIONS FOR FILING RETURNS AND PAYING TAXES.]

If, in the commissioner's judgment, good cause exists, the commissioner may extend the time for filing tax returns, paying taxes, or both, for not more than six months.

Sec. 11. [297E.11] [LIMITATIONS ON TIME FOR ASSESSMENT OF TAX.]

Subdivision 1. [GENERAL RULE.] Except as otherwise provided in this chapter, the amount of taxes assessable must be assessed within 3-1/2 years after the return is filed, whether or not the return is filed on or after the date prescribed. A return must not be treated as filed until it is in processible form. A return is in processible form if it is filed on a permitted form and contains sufficient data to identify the taxpayer and permit the mathematical verification of the tax liability shown on the return.

Subd. 2. [FALSE OR FRAUDULENT RETURN.] Notwithstanding subdivision 1, the tax may be assessed at any time if a false or fraudulent return is filed or if a taxpayer fails to file a return.

Subd. 3. [OMISSION IN EXCESS OF 25 PERCENT.] Additional taxes may be assessed within 6-1/2 years after the due date of the return or the date the return was filed, whichever is later, if the taxpayer omits from a tax return taxes in excess of 25 percent of the taxes reported in the return.

Subd. 4. [TIME LIMIT FOR REFUNDS.] Unless otherwise provided in this chapter, a claim for a refund of an overpayment of tax must be filed within 3-1/2 years from the date prescribed for filing the return, plus any extension of time granted for filing the return, but only if filed within the extended time, or two years from the time the tax is paid, whichever period expires later. Interest on refunds must be computed at the rate specified in section 270.76 from the date of payment to the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the later of the date the tax was finally due or was paid.

Subd. 5. [BANKRUPTCY; SUSPENSION OF TIME.] The time during which a tax must be assessed or collection proceedings begun is suspended during the period from the date of a filing of a petition in bankruptcy until 30 days after either:

(1) notice to the commissioner that the bankruptcy proceedings have been closed or dismissed; or

(2) the automatic stay has been ended or has expired, whichever occurs first.

The suspension of the statute of limitations under this subdivision applies to the person the petition in bankruptcy is filed against, and all other persons who may also be wholly or partially liable for the tax.

Subd. 6. [EXTENSION AGREEMENT.] If before the expiration of

time prescribed in subdivisions 1 and 4 for the assessment of tax or the filing of a claim for refund, both the commissioner and the taxpayer have consented in writing to the assessment or filing of a claim for refund after that time, the tax may be assessed or the claim for refund filed at any time before the expiration of the agreed upon period. The period may be extended by later agreements in writing before the expiration of the period previously agreed upon.

Sec. 12. [297E.12] [CIVIL PENALTIES.]

Subdivision 1. [PENALTY FOR FAILURE TO PAY TAX.] If a tax is not paid within the time specified for payment, a penalty must be added to the amount required to be shown as tax. The penalty is three percent of the unpaid tax if the failure is for not more than 30 days, with an additional penalty of three percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 24 percent in the aggregate.

If the taxpayer has not filed a return, for purposes of this subdivision the time specified for payment is the final date a return should have been filed.

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return within the time prescribed or an extension, a penalty is added to the tax. The penalty is three percent of the amount of tax not paid on or before the date prescribed for payment of the tax if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days, during which the failure continues, not exceeding 23 percent in the aggregate.

If a taxpayer fails to file a return within 60 days of the date prescribed for filing of the return, determined with regard to any extension of time for filing, the addition to tax under this subdivision must be at least the lesser of: (1) $200; or (2) the greater of (i) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (ii) $50.

Subd. 3. [COMBINED PENALTIES.] If penalties are imposed under subdivisions 1 and 2, except for the minimum penalty under subdivision 2, the penalties imposed under both subdivisions combined must not exceed 38 percent.

Subd. 4. [PENALTY FOR INTENTIONAL DISREGARD OF LAW OR RULES.] If part of an additional assessment is due to negligence or intentional disregard of this chapter or rules of the commissioner, but without intent to defraud, an amount equal to ten percent of the additional assessment must be added to the tax.

Subd. 5. [PENALTY FOR FALSE OR FRAUDULENT RETURN; EVASION.] If a person files a false or fraudulent return or attempts in any manner to evade or defeat a tax or payment of tax, a penalty is imposed on the person equal to 50 percent of the tax found due for the period to which the return related, less amounts paid by the person on the basis of the false or fraudulent return.

Subd. 6. [PENALTY FOR SALES AFTER REVOCATION, SUSPENSION, OR EXPIRATION.] A distributor who engages in, or whose representative engages in, the offering for sale, sale, transport, delivery, or furnishing of gambling equipment to a person, firm, or organization, after the distributor's license or permit has been revoked or suspended, or has expired, and until the license or permit has been reinstated or renewed, is liable for a penalty of $1,000 for each day the distributor continues to engage in the activity. This subdivision does not apply to the return of gambling equipment to a licensed manufacturer.

Subd. 7. [PAYMENT OF PENALTIES.] The penalties imposed by this section must be collected and paid in the same manner as taxes.

Subd. 8. [PENALTIES ARE ADDITIONAL.] The civil penalties imposed by this section are in addition to the criminal penalties imposed by this chapter.

Subd. 9. [ORDER PAYMENTS CREDITED.] All payments received may be credited first to the oldest liability not secured by a judgment or lien in the discretion of the commissioner, but in all cases must be credited first to penalties, next to interest, and then to the tax due.

Sec. 13. [297E.13] [TAX-RELATED CRIMINAL PENALTIES.]

Subdivision 1. [PENALTY FOR FAILURE TO FILE OR PAY.] (a) A person required to file a return, report, or other document with the commissioner, who knowingly fails to file it when required, is guilty of a gross misdemeanor. A person required to file a return, report, or other document who willfully attempts to evade or defeat a tax by failing to file it when required is guilty of a felony.

(b) A person required to pay or to collect and remit a tax, who knowingly fails to do so when required, is guilty of a gross misdemeanor. A person required to pay or to collect and remit a tax, who willfully attempts to evade or defeat a tax law by failing to do so when required is guilty of a felony.

Subd. 2. [FALSE OR FRAUDULENT RETURNS; PENALTIES.] (a) A person required to file a return, report, or other document with the commissioner, who delivers to the commissioner a return, report,

or other document known by the person to be fraudulent or false concerning a material matter is guilty of a felony.

(b) A person who knowingly aids or assists in, or advises in the preparation or presentation of a return, report, or other document that is fraudulent or false concerning a material matter, whether or not the falsity or fraud committed is with the knowledge or consent of the person authorized or required to present the return, report, or other document, is guilty of a felony.

Subd. 3. [FALSE INFORMATION.] A person is guilty of a felony if the person:

(1) is required by section 297E.05 to keep records or to make returns, and falsifies or fails to keep the records or falsifies or fails to make the returns; and

(2) knowingly submits materially false information in any report, document, or other communication submitted to the commissioner in connection with lawful gambling or with this chapter.

Subd. 4. [SALES WITHOUT PERMIT; VIOLATIONS.] (a) A person who engages in the business of selling gambling product in Minnesota without the licenses or permits required under this chapter or chapter 349, or an officer of a corporation who so engages in the sales, is guilty of a gross misdemeanor.

(b) A person selling gambling product in Minnesota after revocation of a license or permit under this chapter or chapter 349, when the commissioner or the board has not issued a new license or permit, is guilty of a felony.

Subd. 5. [UNTAXED GAMBLING EQUIPMENT.] It is a gross misdemeanor for a person to possess gambling equipment for resale in this state that has not been registered with the board, for which a registration stamp has not been affixed to the flare, and upon which the taxes imposed by chapter 297A or section 297E.02, subdivision 4, have not been paid. The director of gambling enforcement or the commissioner or the designated inspectors and employees of the director or commissioner may seize in the name of the state of Minnesota any unregistered or untaxed gambling equipment.

Subd. 6. [CRIMINAL PENALTIES.] (a) Criminal penalties imposed by this section are in addition to civil penalties imposed by this chapter.

(b) A person who violates a provision of this chapter for which another penalty is not provided is guilty of a misdemeanor.

(c) A person who violates a provision of this chapter for which another penalty is not provided is guilty of a gross misdemeanor if the violation occurs within five years after a previous conviction under a provision of this chapter.

(d) A person who in any manner violates a provision of this chapter to evade a tax imposed by this chapter, or who aids and abets the evasion of a tax, or hinders or interferes with a seizing authority when a seizure is made as provided by section 297E.16 is guilty of a gross misdemeanor.

(e) This section does not preclude civil or criminal action under other applicable law or preclude any agency of government from investigating or prosecuting violations of this chapter or chapter 349. County attorneys have primary responsibility for prosecuting violations of this chapter, but the attorney general may prosecute a violation of this chapter.

Subd. 7. [STATUTE OF LIMITATIONS.] Notwithstanding section 628.26, or other provision of the criminal laws of this state, an indictment may be found and filed, or a complaint filed, upon a criminal offense named in this section, in the proper court within six years after the offense is committed.

Sec. 14. [297E.14] [INTEREST.]

Subdivision 1. [INTEREST RATE.] If an interest assessment is required under this section, interest is computed at the rate specified in section 270.75.

Subd. 2. [LATE PAYMENT.] If a tax is not paid within the time specified by law for payment, the unpaid tax bears interest from the date the tax should have been paid until the date the tax is paid.

Subd. 3. [EXTENSIONS.] If an extension of time for payment has been granted, interest must be paid from the date the payment should have been made if no extension had been granted, until the date the tax is paid.

Subd. 4. [ADDITIONAL ASSESSMENTS.] If a taxpayer is liable for additional taxes because of a redetermination by the commissioner, or for any other reason, the additional taxes bear interest from the time the tax should have been paid, without regard to any extension allowed, until the date the tax is paid.

Subd. 5. [ERRONEOUS REFUNDS.] In the case of an erroneous refund, interest accrues from the date the refund was paid unless the erroneous refund results from a mistake of the department, then no interest or penalty is imposed unless the deficiency assessment is not satisfied within 60 days of the order.

Subd. 6. [INTEREST ON JUDGMENTS.] Notwithstanding section 549.09, if judgment is entered in favor of the commissioner with regard to any tax, the judgment bears interest at the rate specified in section 270.75 from the date the judgment is entered until the date of payment.

Subd. 7. [INTEREST ON PENALTIES.] (a) A penalty imposed under section 297E.12, subdivision 1, 2, 3, 4, or 5, bears interest from the date the return or payment was required to be filed or paid, including any extensions, to the date of payment of the penalty.

(b) A penalty not included in paragraph (a) bears interest only if it is not paid within ten days from the date of notice. In that case interest is imposed from the date of notice to the date of payment.

Sec. 15. [297E.15] [ADMINISTRATIVE REVIEW.]

Subdivision 1. [TAXPAYER RIGHT TO RECONSIDERATION.] A taxpayer may obtain reconsideration by the commissioner of an order assessing tax, a denial of a request for abatement of penalty, or a denial of a claim for refund of money paid to the commissioner under provisions, assessments, or orders under this chapter by filing an administrative appeal as provided in subdivision 4. A taxpayer cannot obtain reconsideration if the action taken by the commissioner of revenue is the outcome of an administrative appeal.

Subd. 2. [APPEAL BY TAXPAYER.] A taxpayer who wishes to seek administrative review shall follow the procedure in subdivision 4.

Subd. 3. [NOTICE DATE.] For purposes of this section, "notice date" means the date of the order adjusting the tax or order denying a request for abatement or, in the case of a denied refund, the date of the notice of denial.

Subd. 4. [TIME AND CONTENT FOR ADMINISTRATIVE APPEAL.] Within 60 days after the notice date, the taxpayer must file a written appeal with the commissioner of revenue. The appeal need not be in any particular form, but must contain the following information:

(1) name and address of the taxpayer;

(2) if a corporation, the state of incorporation of the taxpayer, and the principal place of business of the corporation;

(3) the Minnesota identification number or social security number of the taxpayer;

(4) the type of tax involved;

(5) the date;

(6) the tax years or periods involved and the amount of tax involved for each year or period;

(7) the findings in the notice that the taxpayer disputes;

(8) a summary statement that the taxpayer relies on for each exception; and

(9) the taxpayer's signature or signature of the taxpayer's duly authorized agent.

Subd. 5. [EXTENSIONS.] If requested in writing and within the time allowed for filing an administrative appeal, the commissioner may extend the time for filing an appeal for a period not more than 30 days from the expiration of the 60 days from the notice date.

Subd. 6. [AUTOMATIC EXTENSION OF STATUTE OF LIMITATIONS.] Notwithstanding any statute of limitations to the contrary, if the commissioner has made a determination and the taxpayer has authority to file an administrative appeal, the period during which the commissioner can make further assessments or other determinations does not expire before:

(1) 90 days after the notice date if no protest is filed under subdivision 4; or

(2) 90 days after the commissioner notifies the taxpayer of the determination on the appeal.

Subd. 7. [DETERMINATION OF APPEAL.] On the basis of applicable law and available information, the commissioner shall determine the validity, if any, in whole or part of the appeal and notify the taxpayer of the decision. This notice must be in writing and contain the basis for the determination.

Subd. 8. [AGREEMENT DETERMINING TAX LIABILITY.] If it appears to be in the best interests of the state, the commissioner may settle taxes, penalties, or interest that the commissioner has under consideration by virtue of an appeal filed under this section. An agreement must be in writing and signed by the commissioner and the taxpayer or the taxpayer's representative authorized by the taxpayer to enter into an agreement. An agreement must be filed in the office of the commissioner.

Subd. 9. [APPEAL OF AN ADMINISTRATIVE APPEAL.] Following the determination or settlement of an appeal, the commissioner must issue an order reflecting that disposition. Except in the case of

an agreement determining tax under this section, the order is appealable to the Minnesota tax court under section 271.06.

Subd. 10. [APPEAL WHERE NO DETERMINATION.] If the commissioner does not make a determination within six months of the filing of an administrative appeal, the taxpayer may elect to appeal to tax court.

Subd. 11. [EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT.] This section is not subject to chapter 14.

Sec. 16. [297E.16] [CONTRABAND.]

Subdivision 1. [SEIZURE.] Contraband may be seized by the commissioner or by any sheriff or other police officer, hereinafter referred to as the "seizing authority," with or without process, and is subject to forfeiture as provided in subdivisions 2 and 3.

Subd. 2. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within ten days after the seizure of alleged contraband, the person making the seizure shall make available an inventory of the property seized to the person from whom the property was seized, if known, and file a copy with the commissioner or the director of gambling enforcement. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 60 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and law involved. If a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced by the seizing authority as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the seizing authority by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade the tax imposed by section 297E.02, the seizing authority shall release the property seized without further legal proceedings.

Subd. 3. [DISPOSAL.] (a) The property described in section 349.2125, subdivision 1, clauses (4) and (5), must be confiscated after conviction of the person from whom it was seized, upon compliance with the following procedure: the seizing authority shall file with the court a separate complaint against the property, describing it and charging its use in the specific violation, and specifying substantially the time and place of the unlawful use. A copy of the complaint must be served upon the defendant or person in charge of the property at the time of seizure, if any. If the person arrested is acquitted, the court shall dismiss the complaint against the property and order it returned to the persons legally entitled to it. Upon conviction of the person arrested, the court shall issue an order directed to any person known or believed to have any right or title to, interest in, or lien upon, any of the property, and to persons unknown claiming any right, title, interest, or lien in it, describing the property and (1) stating that it was seized and that a complaint against it, charging the specified violation, has been filed with the court, (2) requiring the persons to file with the court administrator their answer to the complaint, setting forth any claim they may have to any right or title to, interest in, or lien upon the property, within 30 days after the service of the order, and (3) notifying them in substance that if they fail to file their answer within the time, the property will be ordered sold by the seizing authority. The court shall cause the order to be served upon any person known or believed to have any right, title, interest, or lien as in the case of a summons in a civil action, and upon unknown persons by publication, as provided for service of summons in a civil action. If no answer is filed within the time prescribed, the court shall, upon affidavit by the court administrator, setting forth the fact, order the property sold by the seizing authority. Seventy percent of the proceeds of the sale of forfeited property, after payment of seizure, storage, forfeiture, and sale expenses, must be forwarded to the seizing authority for deposit as a supplement to its operating fund or similar fund for official use, and 20 percent must be forwarded to the county attorney or other prosecuting agency that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes. The remaining ten percent of the proceeds must be forwarded within 60 days after resolution of the forfeiture to the department of human services to fund programs for the treatment of compulsive gamblers. If an answer is filed within the time provided, the court shall fix a time for a hearing, which must not be less than ten nor more than 30 days after the time for filing an answer expires. At the time fixed for hearing, unless continued for cause, the matter must be heard and determined by the court, without a jury, as in other civil actions.

(b) If the court finds that the property, or any part of it, was used in the violation specified in the complaint, it shall order the unlawfully used property sold as provided by law, unless the owner shows to the satisfaction of the court that the owner had no notice or knowledge or reason to believe that the property was used or

intended to be used in the violation. The officer making a sale, after deducting the expense of keeping the property, the fee for seizure, and the costs of the sale, shall pay all liens according to their priority, which are established at the hearing as being bona fide and as existing without the lienor having any notice or knowledge that the property was being used or was intended to be used for or in connection with the violation specified in the order of the court, and shall pay the balance of the proceeds to the seizing authority for official use and sharing in the manner provided in paragraph (a). A sale under this section frees the property sold from all liens on it. Appeal from the order of the district court is available as in other civil cases. At any time after seizure of the articles specified in this subdivision, and before the hearing provided for, the property must be returned to the owner or person having a legal right to its possession, upon execution of a good and valid bond to the state, with corporate surety, in the sum of at least $100 and not more than double the value of the property seized, to be approved by the court in which the case is triable, or a judge of it, conditioned to abide any order and the judgment of the court, and to pay the full value of the property at the time of the seizure. The seizing authority may dismiss the proceedings outlined in this subdivision when the seizing authority considers it to be in the public interest to do so.

Sec. 17. [297E.17] [DISTRIBUTOR'S BOND.]

On finding it necessary to ensure compliance with this chapter, the commissioner may require that a distributor deposit with the commissioner security in the form and amount determined by the commissioner, but not more than the lesser of (1) twice the estimated average monthly tax liability for the previous 12 months, or (2) $10,000.

In lieu of security, the commissioner may require a distributor to file a bond issued by a surety company authorized to transact business in this state and approved by the commissioner of commerce as to solvency and responsibility.

The commissioner may make claim against this security or bond for all taxes, penalties, and interest owed by the distributor.

Sec. 18. [INSTRUCTIONS TO REVISOR.]

(a) If a provision of a section of Minnesota Statutes repealed or amended by this article is amended or referred to by an act enacted in 1992, the revisor of statutes shall codify the amendment or reference consistent with the recodification of the affected section by this act, notwithstanding any law to the contrary.

(b) In the next edition of Minnesota Statutes, in the sections referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C. The

revisor may change the references in column C to the sections of Minnesota Statutes in which the bill sections are compiled.

Column A	Column B	Column C
349.12, subd. 25	349.212, subd. 1 and 4	297E.02, subd. 1 and 4
349.15	349.212, subd. 1	297E.02, subd. 1
349.16, subd. 2	349.212, subd. 6	297E.02, subd. 6
349.16, subd. 5	this chapter	chapter 297E
349.166, subd. 2, paragraph (a)	349.212	297E.02
349.166, subd. 2, paragraph (e)	349.212, subd. 4, paragraph (c)	297E.02, subd. 4, paragraph (b), clause (4)
349.2125, subd. 3	349.2121, subd. 4	297E.02
349.213, subd. 1	349.212	297E.02

(c) In the next edition of Minnesota Statutes, the revisor of statutes shall change the reference to taxes under or by "this chapter" to taxes under or by "chapter 297E" in sections 349.16, subdivision 5; 349.1641; and 349.2127, subdivision 1.

Sec. 19. [PURPOSE.]

It is the intent of the legislature to simplify Minnesota's lawful gambling tax laws by consolidating and recodifying tax administration and compliance provisions now contained throughout Minnesota Statutes, chapter 349. Due to the complexity of the recodification, prior provisions are repealed on the effective date of the new provisions. The repealed provisions, however, continue to remain in effect until superseded by the analogous provision in the new law.

Sec. 20. [REPEALER.]

Minnesota Statutes 1990, sections 349.166, subdivision 4; 349.212, as amended by Laws 1991, chapter 291, article 17, section 11; 349.2121; 349.2122; 349.215; 349.2151; 349.2152; 349.216; 349.217; 349.2171; 349.218; and 349.219; and Minnesota Statutes 1991 Supplement, section 349.19, subdivision 9, are repealed.

Sec. 21. [EFFECTIVE DATE.]

Sections 1, 7 to 15, and 17 to 19 are effective the day following final enactment.

Sections 2, 4, 5, and 6 are effective for returns, reports, records, assessments, taxes, or other payments first becoming due on or after August 1, 1992.

Section 3 is effective for sales or shipments of gambling product inventory made on or after August 1, 1992.

Sections 16 and 20 are effective August 1, 1992.

ARTICLE 2

AMENDMENTS TO GAMBLING TAX LAW

Section 1. Minnesota Statutes 1990, section 270.101, subdivision 1, is amended to read:

Subdivision 1. [LIABILITY IMPOSED.] A person who, either singly or jointly with others, has the control of, supervision of, or responsibility for filing returns or reports, paying taxes, or collecting or withholding and remitting taxes and who fails to do so, or a person who is liable under any other law, is liable for the payment of taxes, penalties, and interest arising under chapters 296, 297, 297A, and 297C, or sections 290.92, ~~349.212,~~ and ~~349.2121~~ 297E.02.

Sec. 2. Minnesota Statutes 1990, section 349.163, subdivision 5, is amended to read:

Subd. 5. [PULL-TAB AND TIPBOARD FLARES.] (a) A manufacturer may not ship or cause to be shipped into this state any deal of pull-tabs or tipboards that does not have its own individual flare as required for that deal by rule of the board. A person other than a manufacturer may not manufacture, alter, modify, or otherwise change a flare for a deal of pull-tabs or tipboards except as allowed by this chapter or board rules.

(b) The flare of each deal of pull-tabs and tipboards sold by a manufacturer in Minnesota must have the Minnesota gambling stamp affixed. The flare, with the stamp affixed, must be placed inside the wrapping of the deal which the flare describes.

(c) Each pull-tab and tipboard flare must bear the following statement printed in letters large enough to be clearly legible:

"Pull-tab (or tipboard) purchasers—This pull-tab (or tipboard) game is not legal in Minnesota unless:

—a Minnesota gambling stamp is affixed to this sheet, and

—the serial number handwritten on the gambling stamp is the same as the serial number printed on this sheet and on the pull-tab (or tipboard) ticket you have purchased."

(d) The flare of each pull-tab and tipboard game must bear the

serial number of the game, printed in numbers at least one-half inch high.

~~(e) The flare of each pull-tab and tipboard game must be imprinted at the bottom with a bar code that provides:~~

~~(1) the name of the game;~~

~~(2) the serial number of the game;~~

~~(3) the name of the manufacturer;~~

~~(4) the number of tickets in the deal;~~

~~(5) the odds of winning each prize in the deal; and~~

~~(6) other information the board by rule requires.~~

~~The serial number included in the bar code must be the same as the serial number of the tickets included in the deal. A manufacturer who manufactures a deal of pull-tabs must affix to the outside of the box containing that game the same bar code that is imprinted at the bottom of a flare for that deal.~~

~~(f) No person may alter the bar code that appears on the outside of a box containing a deal of pull-tabs and tipboards. Possession of a box containing a deal of pull-tabs and tipboards that has a bar code different from the bar code of the deal inside the box is prima facie evidence that the possessor has altered the bar code on the box.~~

Sec. 3. Minnesota Statutes 1990, section 349.2123, is amended to read:

349.2123 [CERTIFIED PHYSICAL INVENTORY.]

The board ~~or commissioner of revenue~~ may, upon request, require a distributor to furnish a certified physical inventory of all gambling equipment in stock. The inventory must contain the information required by the board ~~or the commissioner~~.

Sec. 4. Minnesota Statutes 1990, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals that do not have stamps affixed to them as provided in section 349.162;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization, whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents;

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce, or from one distributor to another, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of clause (1);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket;

(9) any unregistered gambling equipment except as permitted by this chapter;

(10) any gambling equipment kept in violation of section 349.18; ~~and~~

(11) any gambling equipment not in conformity with law or board rule; and

(12) any pull-tab or tipboard deals or portions of deals on which the tax imposed under section 297E.02 has not been paid.

Sec. 5. Minnesota Statutes 1990, section 349.2127, subdivision 3, is amended to read:

Subd. 3. [FALSE INFORMATION.] ~~(a) A person is guilty of a felony if the person is required by section 349.2121, subdivision 2, to keep records or to make returns and falsifies or fails to keep the records or falsifies or fails to make the returns.~~

~~(b)~~ A person is guilty of a felony who~~:~~

~~(1)~~ knowingly submits materially false information in any license application or other document or communication submitted to the board~~;~~ ~~or~~

~~(2) knowingly submits materially false information in any report, document, or other communication submitted to the commissioner of revenue in connection with lawful gambling or with any provision of this chapter~~.

Sec. 6. Minnesota Statutes 1990, section 349.22, subdivision 1, is amended to read:

Subdivision 1. [PENALTY.] (a) A person who violates any provision of sections 349.11 to 349.23 for which another penalty is not provided is guilty of a misdemeanor.

(b) A person who violates any provision of sections 349.11 to 349.23 for which another penalty is not provided is guilty of a gross misdemeanor if the violation occurs within five years after a previous conviction under any provision of sections 349.11 to 349.23.

(c) A person who in any manner ~~violates sections 349.11 to 349.23 to evade a tax imposed by a provision of this chapter, or who aids and abets the evasion of a tax,~~ ~~or~~ hinders or interferes with a seizing authority when a seizure is made as provided by section 349.2125, is guilty of a gross misdemeanor.

Sec. 7. [EFFECTIVE DATE.]

Section 1 is effective for taxes, returns, or reports first becoming due on or after August 1, 1992.

Sections 2 to 6 are effective August 1, 1992.

ARTICLE 3

HORSE RACING

Section 1. Minnesota Statutes 1991 Supplement, section 240.13, subdivision 5, is amended to read:

Subd. 5. [PURSES.] (a) From the amounts deducted from all pari-mutuel pools by a licensee, an amount equal to not less than the following percentages of all money in all pools must be set aside by the licensee and used for purses for races conducted by the licensee, provided that a licensee may agree by contract with an organization

representing a majority of the horsepersons racing the breed involved to set aside amounts in addition to the following percentages:

(1) for live races conducted at a class A facility, and for races that are part of full racing card simulcasting or full racing card telerace simulcasting that takes place within the time period of the live races, 8.4 percent;

(2) for simulcasts and telerace simulcasts conducted during the racing season other than as provided for in clause (1), 50 percent of the takeout remaining after deduction for taxes on pari-mutuel pools, payment to the breeders fund, and payment to the sending out-of-state racetrack for receipt of the signal; and

(3) for simulcasts and telerace simulcasts conducted outside of the racing season, 25 percent of the takeout remaining after deduction for the state pari-mutuel tax, payment to the breeders fund, payment to the sending out-of-state racetrack for receipt of the signal and, before January 1, 2005, a further deduction of eight percent of all money in all pools; provided, however, that in the event that wagering on simulcasts and telerace simulcasts outside of the racing season exceeds $125 million in any calendar year, the amount set aside for purses by this formula is increased to 30 percent on amounts between $125,000,000 and $150,000,000 wagered; 40 percent on amounts between $150,000,000 and $175,000,000 wagered; and 50 percent on amounts in excess of $175,000,000 wagered. In lieu of the eight percent deduction, a deduction as agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing at the licensee's class A facility during the preceding 12 months, is allowed after December 31, 2004.

The commission may by rule provide for the administration and enforcement of this subdivision. The deductions for payment to the sending out-of-state racetrack must be actual, except that when there exists any overlap of ownership, control, or interest between the sending out-of-state racetrack and the receiving licensee, the deduction must not be greater than three percent unless agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races during the existing racing meeting or, if outside of the racing season, during the most recent racing meeting.

In lieu of the amount the licensee must pay to the commission for deposit in the Minnesota breeders fund under section 240.15, subdivision 1, the licensee shall pay 5-1/2 percent of the takeout from all pari-mutuel pools generated by wagering at the licensee's facility on full racing card simulcasts and full racing card telerace simulcasts of races not conducted in this state.

(b) From the money set aside for purses, the licensee shall pay to the horseperson's organization representing the majority of the

horsepersons racing the breed involved and contracting with the licensee with respect to purses and the conduct of the racing meetings and providing representation, benevolent programs, benefits, and services for horsepersons and their on-track employees, an amount, sufficient to perform these services, as may be determined by agreement by the licensee and the horseperson's organization. The amount paid may be deducted only from the money set aside for purses to be paid in races for the breed represented by the horseperson's organization. With respect to racing meetings where more than one breed is racing, the licensee may contract independently with the horseperson's organization representing each breed racing.

(c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization representing the majority of the horsepersons racing a breed at a meeting, and the members thereof, may agree to withhold horses during a meeting.

(d) Money set aside for purses from wagering, during the racing season, on simulcasts and telerace simulcasts must be used for purses for live races conducted at the licensee's class A facility during the same racing season, over and above the 8.4 percent purse requirement or any higher requirement to which the parties agree, for races conducted in this state. Money set aside for purses from wagering, outside of the racing season, on simulcasts and telerace simulcasts must be for purses for live races conducted at the licensee's class A facility during the next racing season, over and above the 8.4 percent purse requirement or any higher requirement to which the parties agree, for races conducted in this state.

(e) Money set aside for purses from wagering on simulcasts and telerace simulcasts must be used for purses for live races involving the same breed involved in the simulcast or telerace simulcast except that money set aside for purses and payments to the breeders fund from wagering on full racing card simulcasts and full racing card telerace simulcasts of races not conducted in this state, occurring during a live mixed meet, must be allotted to the purses and breeders fund for each breed participating in the mixed meet in the same proportion that the number of live races run by each breed bears to the total number of live races conducted during the period of the mixed meet.

(f) The allocation of money set aside for purses to particular racing meets may be adjusted, relative to overpayments and underpayments, by contract between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed involved at the licensee's facility.

(g) Subject to the provisions of this chapter, money set aside from pari-mutuel pools for purses must be for the breed involved in the race that generated the pool, except that if the breed involved in the race generating the pari-mutuel pool is not racing in the current

racing meeting, or has not raced within the preceding 12 months at the licensee's class A facility, money set aside for purses ~~must~~ may be distributed proportionately to those breeds that have run during the preceding 12 months or paid to the commission and used for purses or to promote racing for the breed involved in the race generating the pari-mutuel pool, or both, in a manner prescribed by the commission.

Sec. 2. Minnesota Statutes 1991 Supplement, section 240.13, subdivision 6, is amended to read:

Subd. 6. [SIMULCASTING.] The commission may permit an authorized licensee to conduct simulcasting or telerace simulcasting at the licensee's facility on any day authorized by the commission. All simulcasts and telerace simulcasts must comply with the Interstate Horse Racing Act of 1978, United States Code, title 15, sections 3001 to 3007. In addition to teleracing programs featuring live racing conducted at the licensee's class A facility, the class E licensee may conduct not more than seven teleracing programs per week during the racing season, unless additional telerace simulcasting is authorized by the director and approved by the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races at the licensee's class A facility during the preceding 12 months. The commission may not authorize any day for simulcasting at a class A facility during the racing season, and a licensee may not be allowed to transmit out-of-state telecasts of races the licensee conducts, unless the licensee has obtained the approval of the horsepersons' organization representing the majority of the horsepersons racing the breed involved at the licensed racetrack during the preceding 12 months. The licensee may pay fees and costs to an entity transmitting a telecast of a race to the licensee for purposes of conducting pari-mutuel wagering on the race. The licensee may deduct fees and costs related to the receipt of televised transmissions from a pari-mutuel pool on the televised race, provided that one-half of any amount recouped in this manner must be added to the amounts required to be set aside for purses.

With the approval of the commission and subject to the provisions of this subdivision, a licensee may transmit telecasts of races it conducts, for wagering purposes, to locations outside the state, and the commission may allow this to be done on a commingled pool basis.

Except as otherwise provided in this section, simulcasting and telerace simulcasting may be conducted on a separate pool basis or, with the approval of the commission, on a commingled pool basis. All provisions of law governing pari-mutuel betting apply to simulcasting and telerace simulcasting except as otherwise provided in this subdivision or in the commission's rules. If pools are commingled, wagering at the licensed facility must be on equipment electronically linked with the equipment at the licensee's class A

facility or with the sending racetrack via the totalizator computer at the licensee's class A facility. Subject to the approval of the commission, the types of betting, takeout, and distribution of winnings on commingled pari-mutuel pools are those in effect at the sending racetrack. Breakage for pari-mutuel pools on a televised race must be calculated in accordance with the law or rules governing the sending racetrack for these pools, and must be distributed in a manner agreed to between the licensee and the sending racetrack. Notwithstanding subdivision 7 and section 240.15, subdivision 5, the commission may approve procedures governing the definition and disposition of unclaimed tickets that are consistent with the law and rules governing unclaimed tickets at the sending racetrack. For the purposes of this section, "sending racetrack" is either the racetrack outside of this state where the horse race is conducted or, with the consent of the racetrack, an alternative facility that serves as the racetrack for the purpose of commingling pools.

If there is more than one class B licensee conducting racing within the seven-county metropolitan area, simulcasting and telerace simulcasting may be conducted only on races run by a breed that ran at the licensee's class A facility within the 12 months preceding the event. ~~That portion of the takeout allocated for purses from pari-mutuel pools generated by wagering on standardbreds must be set aside and must be paid to the racing commission and used for purses as otherwise provided by this section or to promote standardbred racing or both, in a manner prescribed by the commission. In the event that a licensee conducts live standardbred racing, pools generated by live, simulcast, or telerace simulcasting at the licensee's facilities on standardbred racing are subject to the purse set-aside requirements otherwise provided by law.~~

Contractual agreements between licensees and horsepersons' organizations entered into before June 5, 1991, regarding money to be set aside for purses from pools generated by simulcasts at a class A facility, are controlling regarding purse requirements through the end of the 1992 racing season.

Sec. 3. Minnesota Statutes 1991 Supplement, section 240.13, subdivision 8, is amended to read:

Subd. 8. [PROHIBITED ACTS.] A licensee may not:

(1) accept a bet from any person under the age of 18 years; ~~and a licensee may not~~

(2) accept a bet of less than $1; or

(3) accept a bet made on credit or with the use of a credit card.

Sec. 4. Minnesota Statutes 1990, section 240.14, subdivision 3, is amended to read:

Subd. 3. [COUNTY FAIR RACING DAYS.] The commission may assign to a class D licensee the following racing days:

(1) those racing days, not to exceed ten racing days, that coincide with the days on which the licensee's county fair is running; and

(2) additional racing days~~, not to exceed ten racing days, immediately before or after the days on which the licensee's county fair is running~~.

~~In no event shall the number of racing days assigned by the commission exceed 20 days.~~

~~The commission may not assign any days before July 1, 1989, as racing days to a class D licensee.~~

Sec. 5. Minnesota Statutes 1991 Supplement, section 240.15, subdivision 6, is amended to read:

Subd. 6. [DISPOSITION OF PROCEEDS.] The commission shall distribute all money received under this section, and all money received from license fees and fines it collects, as follows: all money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 240.18 except that all money generated by full racing card simulcasts, or full racing card telerace simulcasts of races not conducted in this state, must be distributed as provided in section 240.18, ~~clause (2), paragraphs (a), (b), and (c)~~ subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3. Revenue from an admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. All other revenues received under this section by the commission, and all license fees, fines, and other revenue it receives, must be paid to the state treasurer for deposit in the general fund.

Sec. 6. Minnesota Statutes 1991 Supplement, section 240.18, is amended by adding a subdivision to read:

Subd. 3a. [OTHER CATEGORIES.] Available money apportioned to breeds other than breeds contained in subdivisions 2 and 3 shall be distributed as financial incentives to encourage horse racing and horse breeding for such breeds.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment.

ARTICLE 4

LAWFUL GAMBLING

Section 1. Minnesota Statutes 1990, section 349.12, subdivision 1, is amended to read:

Subdivision 1. As used in sections 349.11 to ~~349.22~~ 349.23 the following terms have the meanings given them.

Sec. 2. Minnesota Statutes 1990, section 349.12, subdivision 4, is amended to read:

Subd. 4. "Bingo" means a game where each player has a card or board for which a consideration has been paid containing five horizontal rows of spaces, with each row except the central one containing five figures. The central row has four figures with the word "free" marked in the center space thereof. Bingo also includes games which are as described in this subdivision except for the use of cards where the figures are not preprinted but are filled in by the players. A player wins a game of bingo by completing a preannounced combination of spaces or, in the absence of a preannouncement of a combination of spaces, any combination of five spaces in a row, either vertical, horizontal or diagonal. "Bingo" also includes the game described in section 349.17, subdivision 6.

Sec. 3. Minnesota Statutes 1990, section 349.12, subdivision 11, is amended to read:

Subd. 11. [DISTRIBUTOR.] "Distributor" is a person who sells gambling equipment for use within the state to licensed organizations, to organizations conducting excluded or exempt activities under section ~~349.214~~ 349.166, or to ~~other distributors~~ the governing bodies of Indian tribes.

Sec. 4. Minnesota Statutes 1990, section 349.12, subdivision 18, is amended to read:

Subd. 18. [GAMBLING EQUIPMENT.] "Gambling equipment" means: bingo cards or sheets, devices for selecting bingo numbers, pull-tabs, jar tickets, paddlewheels, ~~and~~ paddletickets, paddleticket cards, tipboards, and tipboard tickets.

Sec. 5. Minnesota Statutes 1990, section 349.12, subdivision 21, is amended to read:

Subd. 21. [GROSS RECEIPTS.] "Gross receipts" means all receipts derived from lawful gambling activity including, but not limited to, the following items:

(1) gross sales of bingo cards and sheets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(2) the ideal gross of pull-tab and tipboard deals or games less the value of unsold and defective tickets and before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(3) gross sales of raffle tickets and ~~paddle tickets~~ paddletickets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(4) admission, commission, cover, or other charges imposed on participants in lawful gambling activity as a condition for or cost of participation; and

(5) interest, dividends, annuities, profit from transactions, or other income derived from the accumulation or use of gambling proceeds.

Gross receipts does not include proceeds from rental under section 349.164 or 349.18, subdivision 3~~, for duly licensed bingo hall lessors~~.

Sec. 6. Minnesota Statutes 1990, section 349.12, subdivision 23, is amended to read:

Subd. 23. [IDEAL NET.] "Ideal net" means the pull-tab or tipboard deal's ideal gross, as defined under subdivision ~~19~~ 22, less the total predetermined prize amounts available to be paid out. When the prize is not entirely a monetary one, the ideal net is 50 percent of the ideal gross.

Sec. 7. Minnesota Statutes 1991 Supplement, section 349.12, subdivision 25, is amended to read:

Subd. 25. (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) organization, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed posttraumatic stress syndrome or a contribution to a recognized program for the treatment of compulsive gambling on behalf of an individual who is a compulsive gambler;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender, as evidenced by (i) provision of equipment and supplies, (ii) scheduling of activities, including games and practice times, (iii) supply and assignment of coaches or other adult supervisors, (iv) provision and availability of support facilities, and (v) whether the opportunity to participate reflects each gender's demonstrated interest in the activity, provided that nothing in this clause prohibits a contribution to or expenditure on an educational institution or other entity that is excepted from the prohibition against discrimination based on sex contained in the Higher Education Act Amendments of 1976, United States Code, title 20, section 1681;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, ~~and~~ the ~~tax~~ taxes imposed by section ~~349.212~~ 297E.02, subdivisions 1 and 4, and the tax imposed on unrelated business income by section 290.05, subdivision 3, but not including the combined receipts tax imposed under section 297E.02, subdivision 6;

(9) payment of real estate taxes and assessments on ~~licensed~~ permitted gambling premises wholly owned by the licensed organization paying the taxes, not to exceed:

(i) the amount which an organization may expend under board rule on rent for premises used for bingo; ~~or~~

(ii) $15,000 per year for premises used for other forms of lawful gambling, except as provided in subclause (iii); or

(iii) 100 percent of the real estate taxes and assessments for premises that are located within an area for which a housing and redevelopment authority has adopted a redevelopment plan, and that have been improved as a result of an agreement entered into before August 1, 1990, between the organization and the housing and redevelopment authority;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization, church, or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances; ~~or~~

(12) payment of one-half of the reasonable costs of an audit required in section ~~349.19~~ 297E.06, subdivision ~~9~~ 4; and

(13) expenditures, approved by the commissioner of natural resources, by an organization during the period October 15 to May 1 for grooming and maintaining snowmobile trails that are (1) grant-in-aid trails established under section 116J.406, or (2) other trails on public lands and open to public use, including purchase or lease of equipment for this purpose.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, except as provided in clause (6), unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; or (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization

to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) the erection, acquisition, improvement, or expansion of real property or capital assets which will be used for one or more of the purposes in paragraph (a), clause (7), unless the organization making the expenditures notifies the board at least 15 days before making the expenditure.

Sec. 8. Minnesota Statutes 1990, section 349.12, subdivision 30, is amended to read:

Subd. 30. [PERSON.] "Person" is an individual, organization, firm, association, partnership, corporation, trustee, or legal representative.

Sec. 9. Minnesota Statutes 1991 Supplement, section 349.15, is amended to read:

349.15 [USE OF GROSS PROFITS.]

Gross profits from lawful gambling may be expended only for lawful purposes, the combined receipts tax imposed under section 297E.02, subdivision 6, or allowable expenses as authorized at a regular meeting of the conducting organization. Provided that no more than 60 percent of the gross profit less the tax imposed under section 349.212, subdivision 1, from bingo, and no more than 50 percent of the gross profit from other forms of lawful gambling, less the combined receipts tax imposed under section 297E.02, subdivision 6, may be expended for allowable expenses related to lawful gambling.

Sec. 10. Minnesota Statutes 1991 Supplement, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The board has the following powers and duties:

(1) to regulate lawful gambling to ensure it is conducted in the public interest;

(2) to issue licenses to organizations, distributors, bingo halls, manufacturers, and gambling managers;

(3) to collect and deposit license, permit, and registration fees due under this chapter;

(4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, and bingo halls to insure compliance with all applicable laws and rules;

(5) to make rules authorized by this chapter;

(6) to register gambling equipment and issue registration stamps;

(7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;

(9) to impose civil penalties of not more than $500 per violation on organizations, distributors, manufacturers, bingo halls, and gambling managers for failure to comply with any provision of this chapter or any rule of the board;

(10) to issue premises permits to organizations licensed to conduct lawful gambling;

(11) to delegate to the director the authority to issue licenses and premises permits under criteria established by the board;

(12) to suspend or revoke licenses and premises permits of organizations, distributors, manufacturers, bingo halls, or gambling managers as provided in this chapter;

(13) to register employees of organizations licensed to conduct lawful gambling;

(14) to require fingerprints from persons determined by board rule to be subject to fingerprinting; and

(15) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) Any organization, distributor, bingo hall operator, gambling manager, or manufacturer assessed a civil penalty may request a hearing before the board. Hearings conducted on appeals of imposition of penalties are not subject to the provisions of the administrative procedure act.

(c) All fees and penalties received by the board must be deposited in the general fund.

Sec. 11. Minnesota Statutes 1990, section 349.152, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF THE DIRECTOR.] The director has the following duties:

(1) to carry out gambling policy established by the board;

(2) to employ and supervise personnel of the board;

(3) to advise and make recommendations to the board on rules;

(4) to issue licenses and premises permits as authorized by the board;

(5) to issue cease and desist orders;

(6) to make recommendations to the board on license issuance, denial, suspension and revocation, and civil penalties the board imposes; ~~and~~

(7) to ensure that board rules, policy, and decisions are adequately and accurately conveyed to the board's licensees; and

(8) to issue subpoenas to compel the attendance of witnesses and the production of documents, books, records, and other evidence relating to any investigation, compliance review, or audit the director is authorized to conduct.

Sec. 12. Minnesota Statutes 1990, section 349.152, subdivision 3, is amended to read:

Subd. 3. [CEASE AND DESIST ORDERS.] Whenever it appears to the director that any person has engaged or is about to engage in

any act or practice constituting a violation of this chapter or any board rule:

(a) The director has the power to issue and cause to be served upon the person an order requiring the person to cease and desist from violations of this chapter or board rule. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. A hearing shall be held not later than seven days after the request for the hearing is received by the board after which and within 20 days of the date of the hearing the board shall issue an order vacating the cease and desist order or making it permanent as the facts require. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

(b) The board may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance with this chapter or any board rule and may refer the matter to the attorney general. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted. The court may not require the board to post a bond.

Sec. 13. Minnesota Statutes 1990, section 349.153, is amended to read:

349.153 [CONFLICT OF INTEREST.]

(a) A person may not serve on the board, be the director, or be an employee of the ~~division~~ board who has an interest in any corporation, association, or partnership that is licensed by the board as a distributor, manufacturer, or a bingo hall under section 349.164.

(b) A member of the board, the director, or an employee of the ~~division~~ board may not participate in the conducting of lawful gambling.

Sec. 14. Minnesota Statutes 1991 Supplement, section 349.154, subdivision 2, is amended to read:

Subd. 2. [NET PROFIT REPORTS.] (a) Each licensed organization must report monthly to the board on a form prescribed by the board each expenditure and contribution of net profits from lawful gambling. The reports must provide for each expenditure or contribution:

(1) the name, address, and telephone number of the recipient of the expenditure or contribution;

(2) the date the contribution was approved by the organization;

(3) the date, amount, and check number of the expenditure or contribution; and

(4) a brief description of how the expenditure or contribution meets one or more of the purposes in section 349.12, subdivision 25, ~~paragraph (a)~~.

(b) The board shall provide the commissioners of revenue and public safety copies of each report received under this subdivision.

Sec. 15. Minnesota Statutes 1990, section 349.16, subdivision 7, is amended to read:

Subd. 7. [PURCHASE AND USE OF GAMBLING EQUIPMENT.] (a) An organization may purchase gambling equipment only from a person licensed as a distributor.

(b) Notwithstanding any other law to the contrary:

(1) a licensed organization may use and store a paddlewheel owned by another licensed organization, and

(2) a licensed organization may permit up to five other licensed organizations to use and store a paddlewheel it owns.

(c) Paragraph (b) does not apply to a paddlewheel that uses a table or similar structure or device, whether separate from the wheel or attached to it, on which chances are played, sold, recorded, or otherwise represented, and which contains separate spaces on which wagers may be made on more than one number on the paddlewheel.

Sec. 16. Minnesota Statutes 1990, section 349.16, subdivision 8, is amended to read:

Subd. 8. [LOCAL INVESTIGATION FEE.] A statutory or home rule charter city or county notified under section 349.213, subdivision 2, may assess an investigation fee on organizations or bingo halls applying for or renewing a ~~license to conduct lawful gambling~~ premises permit or ~~operate~~ a bingo hall license. An investigation fee may not exceed the following limits:

(1) for cities of the first class, $500;

(2) for cities of the second class, $250;

(3) for all other cities, $100; and

(4) for counties, $375.

Sec. 17. Minnesota Statutes 1990, section 349.161, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS; LICENSES REQUIRED.] No person may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state ~~for gambling purposes,~~ other than for lawful gambling exempt or excluded from licensing, except to an organization licensed for lawful gambling or to the governing body of an Indian tribe;

(2) sell, offer for sale, or furnish gambling equipment for ~~lawful gambling~~ use within the state, including to the governing body of an Indian tribe, without having obtained a distributor license under this section;

(3) sell, offer for sale, or furnish gambling equipment for use within the state that is not purchased or obtained from a manufacturer or distributor licensed under this chapter; or

(4) sell, offer for sale, or furnish gambling equipment for use within the state that has the same serial number as another item of gambling equipment of the same type sold or offered for sale or furnished for use in the state by that distributor.

Sec. 18. Minnesota Statutes 1990, section 349.161, subdivision 3, is amended to read:

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership which has as an officer, director, other person in a supervisory or management position, ~~or~~ employee eligible to make sales on behalf of the distributor, or holder of any direct or indirect financial interest in it, a person, who:

(1) has ever been convicted of a felony;

(2) has ever been convicted of a crime involving gambling;

(3) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(4) is or has ever been engaged in an illegal business;

(5) owes $500 or more in delinquent taxes as defined in section 270.72;

(6) has had a sales and use tax permit revoked by the commissioner of revenue within the last two years; ~~or~~

(7) after demand, has not filed tax returns required by the commissioner of revenue.; or

(8) has been determined to be a person whose prior activities, criminal record, if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to it.

Sec. 19. Minnesota Statutes 1990, section 349.161, subdivision 5, is amended to read:

Subd. 5. [PROHIBITION.] (a) No distributor, or employee of a distributor, may also be a wholesale distributor of alcoholic beverages or an employee of a wholesale distributor of alcoholic beverages.

(b) No distributor, or any representative, agent, affiliate, or employee of a distributor, may ~~be~~: (1) be involved in the conduct of lawful gambling by an organization; (2) keep or assist in the keeping of an organization's financial records, accounts, and inventories; or (3) prepare or assist in the preparation of tax forms and other reporting forms required to be submitted to the state by an organization.

(c) No distributor or any representative, agent, affiliate, or employee of a distributor may provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.

(d) No distributor or any representative, agent, affiliate, or employee of a distributor may participate in any gambling activity at any gambling site or premises where gambling equipment purchased from that distributor is being used in the conduct of lawful gambling.

(e) No distributor or any representative, agent, affiliate, or employee of a distributor may alter or modify any gambling equipment, except to add a "last ticket sold" prize sticker.

(f) No distributor or any representative, agent, affiliate, or employee of a distributor may: (1) recruit a person to become a gambling manager of an organization or identify to an organization a person as a candidate to become gambling manager for the organization; or (2) identify for an organization a potential gambling location.

(g) No distributor may purchase gambling equipment for resale to any person for use within the state from any person not licensed as a manufacturer under section 349.163.

(h) No distributor may sell gambling equipment to any person for use in Minnesota other than (i) a licensed organization or organization excluded or exempt from licensing, or (ii) the governing body of an Indian tribe.

Sec. 20. Minnesota Statutes 1990, section 349.162, subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] ~~(a)~~ A distributor may not sell, transfer, furnish, or otherwise provide to a person, ~~organization, or distributor~~ other than the governing body of an Indian tribe, and no person, ~~organization, or distributor~~ other than the governing body of an Indian tribe, may purchase, borrow, accept, or acquire from a distributor gambling equipment for use within the state unless the equipment has been registered with the board and has a registration stamp affixed. The board shall charge a fee of five cents for each stamp. Each stamp must bear a registration number assigned by the board. A distributor or manufacturer is entitled to a refund for unused registration stamps and replacement for registration stamps which are defective or canceled by the distributor or the manufacturer.

~~(b) From January 1, 1991, to June 30, 1992, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "For Sale in Minnesota Only."~~

~~(c) On and after July 1, 1992, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "Manufactured in Minnesota For Sale in Minnesota Only."~~

~~(d) Paragraphs (b) and (c) do not apply to pull-tabs sold by a distributor to the governing body of an Indian tribe.~~

Sec. 21. Minnesota Statutes 1990, section 349.162, subdivision 2, is amended to read:

Subd. 2. [RECORDS REQUIRED.] A distributor must maintain a record of all gambling equipment which it sells to organizations. The record must include:

(1) the identity of the person ~~or firm~~ from whom the distributor purchased the equipment;

(2) the registration number of the equipment;

(3) the name, address, and license or exempt permit number of the organization to which the sale was made;

(4) the date of the sale;

(5) the name of the person who ordered the equipment;

(6) the name of the person who received the equipment;

(7) the type of equipment;

(8) the serial number of the equipment;

(9) the name, form number, or other identifying information for each game; and

(10) in the case of bingo cards sold on and after January 1, 1991, the individual number of each card.

The invoice for each sale must be retained for at least 3-1/2 years after the sale is completed and a copy of each invoice is to be delivered to the board in the manner and time prescribed by the board. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.

Each distributor must report monthly to the board, in a form the board prescribes, its sales of each type of gambling equipment. Employees of the division and the division of gambling enforcement may inspect the business premises, books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.

The board may require that a distributor submit the monthly report and invoices required in this subdivision via magnetic media or electronic data transfer.

Sec. 22. Minnesota Statutes 1990, section 349.162, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION.] (a) No person other than a licensed distributor or licensed manufacturer may possess unaffixed registration stamps.

(b) Unless otherwise provided in this chapter, no person may possess gambling equipment that has not been stamped and registered.

(c) On and after January 1, 1991, no distributor may:

(1) sell a bingo card that does not bear an individual number; or

(2) sell a package of bingo cards that does not contain bingo cards in numerical order.

Sec. 23. Minnesota Statutes 1990, section 349.162, subdivision 5, is amended to read:

Subd. 5. [SALES FROM FACILITIES.] (a) All gambling equipment purchased or possessed by a licensed distributor for resale to any person for use in Minnesota must, prior to the equipment's resale, be unloaded into a sales or storage facility located in Minnesota which the distributor owns or leases; and which has been registered, in advance and in writing, with the division of gambling enforcement as a sales or storage facility of the ~~distributor's~~ distributor. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a sales or storage facility which has been registered with the division of gambling enforcement. Except for gambling equipment sold to the governing body of an Indian tribe, no gambling equipment may be moved from the facility unless the gambling equipment has been first registered with the board.

(b) Notwithstanding section 349.163, subdivision 5, paragraphs (b) and (c), a licensed manufacturer may ship into Minnesota gambling equipment that does not have a Minnesota gambling stamp affixed if the licensed manufacturer ships the gambling equipment to a Minnesota storage facility that is: (1) owned or leased by the licensed manufacturer; and (2) registered, in advance and in writing, with the division of gambling enforcement as a manufacturer's storage facility. No unregistered gambling equipment may be shipped into Minnesota to the manufacturer's registered storage facility unless the shipment of the gambling equipment is reported to the commissioner of revenue in a manner prescribed by the commissioner. No gambling equipment may be removed from the storage facility unless the gambling equipment is sold to a licensed distributor and otherwise in conformity with the provisions of this chapter or shipped to another state and the shipment is reported to the commissioner of revenue in a manner prescribed by the commissioner.

(c) All sales and storage facilities owned, leased, used, or operated by a licensed distributor or manufacturer may be entered upon and inspected by the employees of the division of gambling enforcement or the division director's authorized representatives during reasonable and regular business hours. Obstruction of, or failure to permit, entry and inspection is cause for revocation or suspension of a manufacturer's or distributor's licenses and permits issued under this chapter.

~~(c)~~ (d) Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than the manufacturing plant of a licensed manufacturer or a registered sales or storage facility are contraband under section 349.2125. This paragraph does not apply to unregistered gambling equipment being transported directly to the governing body of an Indian tribe or to unregistered gambling equipment being transported in interstate commerce between locations outside this state, if the interstate shipment is verified by a bill of lading or other valid shipping document.

Sec. 24. Minnesota Statutes 1990, section 349.163, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] No manufacturer of gambling equipment may sell any gambling equipment to any person for use or resale within the state, including the governing body of an Indian tribe, unless the manufacturer has a current and valid license issued by the board under this section and other criteria prescribed by the board by rule.

A manufacturer licensed under this section may not also be directly or indirectly licensed as a distributor under section 349.161 unless the manufacturer (1) does not manufacture any gambling equipment other than paddlewheels, and (2) was licensed as both a manufacturer and distributor on May 1, 1990.

Sec. 25. Minnesota Statutes 1990, section 349.163, subdivision 1a, is amended to read:

Subd. 1a. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership that has as an officer, director, other person in a supervisory or management position, ~~or~~ employee eligible to make sales on behalf of the ~~distributor~~ manufacturer, or holder of any direct or indirect financial interest in it, a person, who:

(1) has ever been convicted of a felony;

(2) has ever been convicted of a crime involving gambling;

(3) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(4) is or has ever been engaged in an illegal business;

(5) owes $500 or more in delinquent taxes as defined in section 270.72;

(6) has had a sales and use tax permit revoked by the commissioner of revenue within the last two years; ~~or~~

(7) after demand, has not filed tax returns required by the commissioner of revenue.~~;~~ or

(8) has been determined to be a person whose prior activities, criminal record, if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to it.

Sec. 26. Minnesota Statutes 1990, section 349.163, subdivision 3, is amended to read:

Subd. 3. [PROHIBITED SALES.] (a) A manufacturer may not:

(1) sell gambling equipment for use or resale within the state to any person not licensed as a distributor, other than the governing body of an Indian tribe, unless the manufacturer is also a licensed distributor; or

(2) sell gambling equipment to the governing body of an Indian tribe or a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use or resale in this state~~;~~.

~~(3) from January 1, 1991, to June 30, 1992, sell to any person in Minnesota, other than the governing body of an Indian tribe, a pull-tab on which the manufacturer has not clearly printed the words "For Sale in Minnesota Only";~~

~~(4) on and after July 1, 1992, sell to any person in Minnesota, other than the governing body of an Indian tribe, a pull-tab on which the manufacturer has not clearly printed the words "Manufactured in Minnesota For Sale In Minnesota Only"; or~~

~~(5) sell a pull-tab marked as required in clauses (3) and (4) to any person inside or outside the state, including the governing body of an Indian tribe, who is not a licensed distributor.~~

~~(b) On and after July 1, 1992, all pull-tabs sold by a licensed manufacturer to a person in Minnesota must be manufactured in Minnesota.~~

~~(c)~~ (b) A manufacturer, affiliate of a manufacturer, or person acting as a representative or agent of a manufacturer may not provide a lessor of gambling premises or an appointed official any

compensation, gift, gratuity, premium, contribution, or other thing of value.

Sec. 27. Minnesota Statutes 1990, section 349.163, subdivision 4, is amended to read:

Subd. 4. [INSPECTION OF MANUFACTURERS.] Employees of the ~~division~~ board and the division of gambling enforcement may inspect the books, records, inventory, and business premises of a licensed manufacturer without notice during the normal business hours of the manufacturer.

Sec. 28. Minnesota Statutes 1990, section 349.163, subdivision 5, is amended to read:

Subd. 5. [PULL-TAB AND TIPBOARD FLARES.] (a) A manufacturer may not ship or cause to be shipped into this state any deal of pull-tabs or tipboards that does not have its own individual flare as required for that deal by rule of the board. A person other than a manufacturer may not manufacture, alter, modify, or otherwise change a flare for a deal of pull-tabs or tipboards except as allowed by this chapter or board rules.

(b) The flare of each deal of pull-tabs and tipboards sold by a manufacturer for use or resale in Minnesota must have the Minnesota gambling stamp affixed. The flare, with the stamp affixed, must be placed inside the wrapping of the deal which the flare describes.

(c) Each pull-tab and tipboard flare must bear the following statement printed in letters large enough to be clearly legible:

"Pull-tab (or tipboard) purchasers—This pull-tab (or tipboard) game is not legal in Minnesota unless:

—a Minnesota gambling stamp is affixed to this sheet, and

—the serial number handwritten on the gambling stamp is the same as the serial number printed on this sheet and on the pull-tab (or tipboard) ticket you have purchased."

(d) The flare of each pull-tab and tipboard game must bear the serial number of the game, printed in numbers at least one-half inch high.

(e) The flare of each pull-tab and tipboard game must be imprinted at the bottom with a bar code that provides:

(1) the name of the game;

(2) the serial number of the game;

(3) the name of the manufacturer;

(4) the number of tickets in the deal;

(5) the odds of winning each prize in the deal; and

(6) other information the board by rule requires.

The serial number included in the bar code must be the same as the serial number of the tickets included in the deal. A manufacturer who manufactures a deal of pull-tabs must affix to the outside of the box containing that game the same bar code that is imprinted at the bottom of a flare for that deal.

(f) No person may alter the bar code that appears on the outside of a box containing a deal of pull-tabs and tipboards. Possession of a box containing a deal of pull-tabs and tipboards that has a bar code different from the bar code of the deal inside the box is prima facie evidence that the possessor has altered the bar code on the box.

Sec. 29. Minnesota Statutes 1990, section 349.163, subdivision 6, is amended to read:

Subd. 6. [SAMPLES OF GAMBLING EQUIPMENT.] The board shall require each licensed manufacturer to submit to the board one or more samples of each item of gambling equipment the manufacturer manufactures for ~~sale~~ use or resale in this state, except gambling equipment manufactured for sale only to the governing body of an Indian tribe. The board shall inspect and test all the equipment it deems necessary to determine the equipment's compliance with law and board rules. Samples required under this subdivision must be approved by the board before the equipment being sampled is shipped into or sold for use or resale in this state. The board may request the assistance of the commissioner of public safety and the director of the state lottery division in performing the tests.

Sec. 30. Minnesota Statutes 1990, section 349.164, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] No person may lease a facility to more than one ~~individual, corporation, partnership, or~~ organization to conduct bingo without a current and valid bingo hall license under this section.

Sec. 31. Minnesota Statutes 1990, section 349.164, subdivision 3, is amended to read:

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, ~~organization, corporation, firm, or partner-~~

~~ship that~~ who is not the legal owner of the facility, or to a person, or to an organization, corporation, firm, or partnership which has as an officer, director, ~~or~~ other person in a supervisory or management position, or holder of any direct or indirect financial interest in it, a person, who:

(1) has ever been convicted of a felony;

(2) has ever been convicted of a crime involving gambling;

(3) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(4) is or has ever been engaged in an illegal business;

(5) owes delinquent taxes in excess of $500 as defined in section 270.72; ~~or~~

~~(5)~~ (6) after demand, has not filed tax returns required by the commissioner of revenue.; or

(7) has been determined to be a person whose prior activities, criminal record, if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to it.

Sec. 32. Minnesota Statutes 1990, section 349.164, subdivision 6, is amended to read:

Subd. 6. [PROHIBITED ACTS:] No bingo hall licensee, person holding a financial or managerial interest in a bingo hall, or affiliate thereof may:

(1) be a licensed distributor or licensed manufacturer or affiliate of the distributor or manufacturer under section 349.161 or 349.163 or a wholesale distributor of alcoholic beverages;

(2) provide any staff to conduct or assist in the conduct of bingo or any other form of lawful gambling on the premises;

(3) acquire, provide storage or inventory control for, or report the use of, any gambling equipment used by an organization that conducts lawful gambling on the premises;

(4) provide accounting services to an organization conducting lawful gambling on the premises;

(5) solicit, suggest, encourage, or make any expenditures of gross receipts of an organization from lawful gambling;

(6) charge any fee to a person without which the person could not play a bingo game or participate in another form of lawful gambling on the premises;

(7) provide assistance or participate in the conduct of lawful gambling on the premises; or

(8) permit more than 21 bingo occasions to be conducted on the premises in any week.

Sec. 33. Minnesota Statutes 1990, section 349.1641, is amended to read:

349.1641 [LICENSES; SUMMARY SUSPENSION.]

The board may (1) summarily suspend the license of an organization that is more than three months late in filing a tax return required under this chapter and may keep the suspension in effect until all required returns are filed; and (2) summarily suspend for not more than 90 days any license issued by the board or director for what the board determines are actions detrimental to the integrity of lawful gambling in Minnesota. The board must notify the licensee at least 14 days before suspending the license under this ~~paragraph~~ section. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge's report must be issued within 20 days after the close of the hearing record. In all cases involving summary suspension, the board must issue its final decision within 30 days after receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61. When an organization's license is suspended ~~or revoked~~ under this ~~subdivision~~ section, the board shall within three days notify all municipalities in which the organization's gambling premises are located and all licensed distributors in the state.

Sec. 34. Minnesota Statutes 1990, section 349.166, is amended to read:

349.166 [EXCLUSIONS; EXEMPTIONS.]

Subdivision 1. [EXCLUSIONS.] (a) Bingo may be conducted without a license and without complying with sections 349.17, subdivision 1, and 349.18, if it is conducted:

(1) in connection with a county fair, the state fair, or a civic celebration if it is not conducted for more than 12 consecutive days in a calendar year; or

(2) by an organization that conducts four or fewer bingo occasions in a calendar year.

An organization that holds a license to conduct lawful gambling under this chapter may not conduct bingo under this subdivision.

(b) Bingo may be conducted within a nursing home or a senior citizen housing project or by a senior citizen organization without compliance with sections 349.11 to 349.213 if the prizes for a single bingo game do not exceed $10, total prizes awarded at a single bingo occasion do not exceed $200, no more than two bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, a manager is appointed to supervise the bingo, and the manager registers with the board. The gross receipts from bingo conducted under the limitations of this subdivision are exempt from taxation under chapter 297A.

(c) Raffles may be conducted by an organization without complying with sections ~~349.11 to 349.14 and~~ 349.151 to 349.213 if the value of all raffle prizes awarded by the organization in a calendar year does not exceed $750.

Subd. 2. [EXEMPTIONS.] (a) Lawful gambling may be conducted by an organization as defined in section 349.12, subdivision 28, without complying with sections 297E.02; 349.151 to 349.16; 349.167; 349.168; 349.18; and 349.19~~; and 349.212~~ if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than $50,000 in prizes for lawful gambling in a calendar year;

(3) the organization pays a fee of $25 to the board, notifies the board in writing not less than 30 days before each lawful gambling occasion of the date and location of the occasion, or 60 days for an occasion held in the case of a city of the first class, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;

(4) the organization notifies the local government unit 30 days before the lawful gambling occasion, or 60 days for an occasion held in a city of the first class;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single-page form

prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(b) Bingo may be conducted by an organization without complying with sections 297E.02; 349.151 to 349.16; 349.167; 349.168; 349.18; and 349.19 if the organization conducts bingo on 50 or fewer days in a calendar year and does not award more than $500 in prizes in any day. An organization conducting bingo under this paragraph must (1) report to the board annually, on a form the board prescribes, on the gross receipts, prizes, expenses, and expenditure of net profits from all bingo occasions held during the year the report covers, and include a $25 annual fee with the report, and (2) notify the city or county having jurisdiction over the organization, not less than 30 days before the first bingo occasion in any calendar year, of the intended number and location of bingo occasions during that year. The report to the board must be filed within 30 days after the end of each calendar year in which an organization conducts bingo under this paragraph. An organization conducting bingo under this paragraph must purchase all gambling equipment and supplies from a licensed distributor.

(c) If the organization fails to file a timely report as required by paragraph (a), clause (3) or (6), a $250 penalty is imposed on the organization. Failure to file a timely report does not disqualify the organization as exempt under this ~~paragraph~~ subdivision if a report is later filed and the penalty paid.

~~(c)~~ (d) Merchandise prizes must be valued at their fair market value.

~~(d)~~ (e) Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

~~(e)~~ (f) An organization that is exempt from taxation on purchases of pull-tabs and tipboards under section ~~349.212, subdivision 4, paragraph (c),~~ 297E.02 must return to the distributor any tipboard or pull-tab deal no part of which is used at the lawful gambling occasion for which it was purchased by the organization.

Subd. 3. [RAFFLES; CERTAIN ORGANIZATIONS.] Sections ~~349.21~~ 349.168, subdivisions 3 and 4, and 349.211, subdivision 3, and the membership requirements of ~~sections 349.14 and 349.20~~ section 349.16, subdivision 2, paragraph (c), do not apply to raffles conducted by an organization that directly or under contract to the state or a political subdivision delivers health or social services and that is a 501(c)(3) organization if the prizes awarded in the raffles

are real or personal property donated by an individual, firm, or other organization. The person who accounts for the gross receipts, expenses, and profits of the raffles may be the same person who accounts for other funds of the organization.

Subd. 4. [TAXATION.] An organization's receipts from lawful gambling that is exempt from licensing under this section are not subject to the tax imposed by section 297A.02 or ~~349.212~~ 297E.02.

Sec. 35. Minnesota Statutes 1991 Supplement, section 349.167, subdivision 4, is amended to read:

Subd. 4. [TRAINING OF GAMBLING MANAGERS.] The board shall by rule require all persons licensed as gambling managers to receive periodic training in laws and rules governing lawful gambling. The rules must contain the following requirements:

(1) each gambling manager must receive training before being issued a new license, except that in the case of the death, disability, or termination of a gambling manager, a replacement gambling manager must receive the training within 90 days of being issued a license;

(2) each gambling manager applying for a renewal of a license must have received training within the three years prior to the date of application for the renewal; and

(3) the training required by this subdivision may be provided by a person~~, firm, association, or organization~~ authorized by the board to provide the training. Before authorizing a person~~, firm, association, or organization~~ to provide training, the board must determine that:

(i) the provider and all of the provider's personnel conducting the training are qualified to do so;

(ii) the curriculum to be used fully and accurately covers all elements of lawful gambling law and rules that the board determines are necessary for a gambling manager to know and understand;

(iii) the fee to be charged for participants in the training sessions is fair and reasonable; and

(iv) the training provider has an adequate system for documenting completion of training.

The rules may provide for differing training requirements for gambling managers based on the class of license held by the gambling manager's organization.

The board or the director may provide the training required by this subdivision using employees of the ~~division~~ board.

Sec. 36. Minnesota Statutes 1990, section 349.168, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] Compensation to persons who participate in the conduct of lawful gambling may be paid only to active members of the conducting organization or its auxiliary, or the spouse or surviving spouse of an active member, except that the following persons may receive compensation without being active members: (1) sellers of pull-tabs, tipboards, raffle tickets, ~~paddlewheel tickets~~ paddletickets, and bingo ~~paper~~ cards or sheets; (2) accountants performing auditing or bookkeeping services for the organization; and (3) attorneys providing legal services to the organization. The board may by rule allow other persons not active members of the organization to receive compensation.

Sec. 37. Minnesota Statutes 1990, section 349.168, subdivision 6, is amended to read:

Subd. 6. [COMPENSATION PAID BY CHECK.] Compensation paid by an organization in connection with lawful gambling must be in the form of a check drawn on the organization's gambling account, as specified in section 349.19, and paid directly to the ~~employee~~ person being compensated.

Sec. 38. Minnesota Statutes 1990, section 349.169, subdivision 2, is amended to read:

Subd. 2. [COPIES.] The director shall provide copies of price filings to any person requesting them and may charge a reasonable fee for the copies. Any person may examine price filings in the ~~division~~ board office at no cost, and the director shall make the filings available for that purpose.

Sec. 39. Minnesota Statutes 1990, section 349.17, is amended by adding a subdivision to read:

Subd. 6. [BREAKOPEN BINGO.] (a) An organization may conduct bingo games using sealed bingo cards or sheets, subject to the provisions of this subdivision.

(b) An organization conducting a bingo game under this subdivision may announce a predetermined quantity of bingo numbers before the actual playing of the game. However, during the playing of the game no cards or sheets for the game may be sold after the announcement of the first number following the announcement of the predetermined quantity of numbers.

(c) A card or sheet for a bingo game conducted under this subdivision must be sealed at the time it is sold to a person playing the game.

(d) A bingo game conducted under this subdivision may continue throughout all or part of a bingo occasion, but may not extend beyond the end of a bingo occasion.

(e) A bingo game under this subdivision is won when a player completes the predetermined bingo pattern on the player's card or sheet. If a player wins the game before the first number is called after the announcement of the predetermined quantity of numbers, the player must be awarded the prize for that game.

Sec. 40. Minnesota Statutes 1990, section 349.174, is amended to read:

349.174 [PULL-TABS; DEADLINE FOR USE.]

A deal of pull-tabs ~~and~~ or tipboards received by an organization before September 1, 1989, must be put into play by that organization before September 1, 1990, unless the deal bears a serial number that allows it to be traced back to its manufacturer and to the distributor who sold it to the organization. An organization in possession on and after September 1, 1990, of a deal of pull-tabs ~~and~~ or tipboards the organization received before September 1, 1989, may not put such a deal in play but must remove it from the organization's inventory and return it to the manufacturer.

Sec. 41. Minnesota Statutes 1991 Supplement, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of at least one year and must be on a form prescribed by the board. Copies of all leases must be made available to employees of the ~~division~~ board and the division of gambling enforcement on request. A lease may not provide for payments determined directly or indirectly by the receipts or profits from lawful gambling. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling provided that (1) no rule of the board, and (2) notwithstanding section 349.213, subdivision 1, no political subdivision may prescribe a limit of less than $1,000 per month on rent paid for premises used for lawful gambling other than bingo. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into, or renewed, after the effective date of the rule.

No person, distributor, manufacturer, lessor, or organization other

than the licensed organization leasing the space may conduct any activity on the leased premises during times when lawful gambling is being conducted on the premises.

Sec. 42. Minnesota Statutes 1991 Supplement, section 349.18, subdivision 1a, is amended to read:

Subd. 1a. [STORAGE OF GAMBLING EQUIPMENT.] (a) Gambling equipment owned by or in the possession of an organization must be kept at a ~~licensed~~ permitted gambling premises owned or ~~operated~~ leased by the organization, or at other storage sites within the state that the organization has notified the board are being used as gambling equipment storage sites. At each storage site or ~~licensed~~ permitted premises, the organization must have the invoices or true and correct copies of the invoices for the purchase of all gambling equipment at the site or premises. Gambling equipment owned by an organization may not be kept at a distributor's office, warehouse, storage unit, or other place of the distributor's business.

(b) Gambling equipment, other than devices for selecting bingo numbers, owned by an organization must be secured and kept separate from gambling equipment owned by other persons, organizations, distributors, or manufacturers.

(c) Paddlewheels must be covered or disabled when not in use by the organization in the conduct of lawful gambling.

(d) Gambling equipment kept in violation of this subdivision is contraband under section 349.2125.

(e) An organization may transport gambling equipment it owns or possesses between approved gambling equipment storage sites and to and from licensed distributors.

Sec. 43. Minnesota Statutes 1990, section 349.18, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] (a) An organization may conduct raffles on a premise it does not own or lease.

(b) An organization may, with the permission of the board, conduct bingo on premises it does not own or lease for up to 12 consecutive days in a calendar year, in connection with a county fair, the state fair, or a civic celebration.

(c) A licensed organization may, after compliance with section 349.213, conduct lawful gambling on premises other than the organization's ~~licensed premise~~ permitted premises for one day per year for not more than 12 hours that day. A lease for that time period for the exempted premises must accompany the request to the board.

Sec. 44. Minnesota Statutes 1990, section 349.19, subdivision 6, is amended to read:

Subd. 6. [PRESERVATION OF RECORDS.] Records required to be kept by this section must be preserved by a licensed organization for at least 3-1/2 years and may be inspected by the commissioner of revenue, the ~~commissioner of gaming~~ board, or the commissioner of public safety at any reasonable time without notice or a search warrant.

Sec. 45. Minnesota Statutes 1990, section 349.191, subdivision 1, is amended to read:

Subdivision 1. [CREDIT RESTRICTION.] A manufacturer may not offer or extend to a distributor, and a distributor may not offer or extend to an organization, credit for a period of more than 30 days for the sale of any gambling equipment. No right of action exists for the collection of any claim based on credit prohibited by this subdivision. The 30-day period allowed by this subdivision begins with the day immediately following the day of invoice and includes all successive days, including Sundays and holidays, to and including the 30th successive day.

Sec. 46. Minnesota Statutes 1990, section 349.191, subdivision 4, is amended to read:

Subd. 4. [CREDIT; POSTDATED CHECKS.] For purposes of this ~~subdivision~~ section, "credit" includes acceptance by a manufacturer or distributor of a postdated check in payment for gambling equipment.

Sec. 47. Minnesota Statutes 1990, section 349.2124, is amended to read:

349.2124 [SALES TO INDIAN TRIBES.]

~~A distributor may set aside that part of the distributor's stock necessary for the conduct of business in making sales to the established governing body of any Indian tribe recognized by the United States Department of Interior. A distributor shall, when shipping or delivering any stock to an Indian tribal organization, make a true duplicate invoice showing the complete details of the sale or delivery and shall keep the duplicate.~~ Subdivision 1. [DIRECT SHIPMENTS REQUIRED.] Gambling equipment sold by a manufacturer to the governing body of an Indian tribe in Minnesota must be shipped directly to the tribe from the manufacturer. Gambling equipment sold by a distributor to the governing body of an Indian tribe in Minnesota must be shipped directly to the tribe from a registered sales or storage facility of the distributor.

Subd. 2. [RECORDS REQUIRED.] For each sale of gambling equipment to the governing body of an Indian tribe in Minnesota, the distributor or manufacturer making the sale shall make a true duplicate invoice showing the complete details of the sale and shall keep the duplicate for at least 3-1/2 years after the sale. Distributors and manufacturers shall maintain additional records of these sales and file reports of these sales as prescribed by board rule.

Subd. 3. [PULL-TAB AND TIPBOARD FLARES.] Each pull-tab and tipboard deal sold to the governing body of an Indian tribe in Minnesota by a distributor or manufacturer must have its own individual flare and must conform to the requirements of section 349.163, subdivision 5, paragraphs (e) and (f). Pull-tab and tipboard deals sold to the governing body of an Indian tribe in Minnesota are not otherwise subject to the requirements of section 349.163, subdivision 5.

Sec. 48. Minnesota Statutes 1990, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals that do not have stamps affixed to them as provided in ~~section~~ sections 349.162 and 349.163;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization, whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents;

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce~~, or from one distributor to another~~ between locations outside this state or directly to the governing body of an Indian tribe in this state, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of clause (1);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket;

(9) any unregistered gambling equipment except as permitted by this chapter;

(10) any gambling equipment kept in violation of section 349.18; ~~and~~

(11) any gambling equipment not in conformity with law or board rule~~.~~;

(12) any pull-tab or tipboard deals or portions of deals on which the tax imposed under section 297E.02 has not been paid;

(13) any gambling equipment that has not been approved by the board pursuant to section 349.163, subdivision 6;

(14) any gambling equipment in the possession of a person other than a licensed distributor, a licensed manufacturer, or an organization licensed or exempt or excluded from licensing under this chapter, except for devices for selecting bingo numbers kept by a bingo hall lessor pursuant to section 349.17, subdivision 2a;

(15) any gambling equipment in the possession of a licensed distributor that is not: (i) at or being transported to a registered sales or storage facility of the distributor; (ii) being transported from a registered sales or storage facility of the distributor to an out-of-state site, the governing body of an Indian tribe in this state, a licensed manufacturer, or an organization licensed or exempt or excluded from licensing under this chapter; or (iii) being transported in interstate commerce between locations outside this state; and

(16) any gambling equipment in the possession of a licensed manufacturer that is not: (i) at a manufacturing plant of the manufacturer located in Minnesota or being transported from such a plant to an out-of-state site; (ii) being transported to a registered sales and storage facility of a licensed distributor or the governing body of an Indian tribe in this state; or (iii) being transported in interstate commerce between locations outside this state.

Sec. 49. Minnesota Statutes 1990, section 349.2125, subdivision 3, is amended to read:

Subd. 3. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within ten days after the seizure of any alleged contraband, the person making the seizure shall make available an inventory of the property seized to the person from whom the property was seized, if known, and file a copy with the commissioner of revenue or the director of gambling enforcement. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 60 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved. When a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced by the seizing authority as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the seizing authority by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade ~~the~~ a tax imposed by section ~~349.2121, subdivision~~ 4 297E.02, the seizing authority shall release the property seized without further legal proceedings.

Sec. 50. Minnesota Statutes 1990, section 349.2127, subdivision 2, is amended to read:

Subd. 2. [PROHIBITION AGAINST POSSESSION.] (a) A person, ~~other than a licensed distributor,~~ is guilty of a crime who sells, offers for sale, or possesses a pull-tab or tipboard deal not stamped in accordance with the provisions of this chapter. A violation of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals. A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards.

(b) A person, other than a licensed manufacturer, a licensed distributor or an organization licensed or exempt or excluded from licensing under this chapter, is guilty of a crime who sells, offers to sell, or possesses gambling equipment. A violation of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard

deals. A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards.

(c) A person~~, firm, or organization~~ is guilty of a crime who alters, modifies, or counterfeits pull-tabs, tipboards, or tipboard tickets, or possesses altered, modified, or counterfeit pull-tabs, tipboards, or tipboard tickets. A violation of this paragraph is a gross misdemeanor if the total face value for all such pull-tabs, tipboards, or tipboard tickets does not exceed $200. A violation of this paragraph is a felony if the total face value exceeds $200. For purposes of this paragraph, the face value of all pull-tabs, tipboards, and tipboard tickets altered, modified, or counterfeited within a six-month period may be aggregated and the defendant charged accordingly.

Sec. 51. Minnesota Statutes 1990, section 349.2127, subdivision 4, is amended to read:

Subd. 4. [TRANSPORTING UNSTAMPED DEALS.] A person is guilty of a gross misdemeanor who transports into, ~~or~~ causes to be transported into, receives, carries, ~~or~~ moves from place to place, or causes to be moved from place to place in this state, any deals of pull-tabs or tipboards not stamped in accordance with this chapter except in the course of interstate commerce between locations outside this state. A person is guilty of a felony who violates this subdivision with respect to more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards.

Sec. 52. Minnesota Statutes 1991 Supplement, section 349.213, subdivision 1, is amended to read:

Subdivision 1. [LOCAL REGULATION.] (a) A statutory or home rule city or county has the authority to adopt more stringent regulation of lawful gambling within its jurisdiction, including the prohibition of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section ~~349.214~~ 349.166. The fee for a permit issued under this subdivision may not exceed $100. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations or sales by distributors licensed by the board. The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent from its net profits derived from lawful gambling. For the purposes of this subdivision, net profits are profits less amounts expended for allowable expenses. A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except as authorized under section 297E.02, or 349.16, subdivision 4 8~~, or 349.212~~; provided, however, that an ordinance requirement that such organizations must contribute ten

percent of their net profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction to a fund administered and regulated by the responsible local unit of government without cost to such fund, for disbursement by the responsible local unit of government of the receipts for lawful purposes, is not considered an expenditure to the city or county nor a tax under section ~~349.212~~ 297E.02, and is valid and lawful.

(b) A statutory or home rule city or county may by ordinance require that a licensed organization conducting lawful gambling within its jurisdiction expend all or a portion of its expenditures for lawful purposes on lawful purposes conducted or located within the city's or county's trade area. Such an ordinance must be limited to lawful purpose expenditures of gross profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction, must define the city's or county's trade area and must specify the percentage of lawful purpose expenditures which must be expended within the trade area. A trade area defined by a city under this subdivision must include each city contiguous to the defining city.

(c) A more stringent regulation or prohibition of lawful gambling adopted by a political subdivision under this subdivision must apply equally to all forms of lawful gambling within the jurisdiction of the political subdivision, except a political subdivision may prohibit the use of paddlewheels.

ARTICLE 5

STATE LOTTERY

Section 1. [KENO.]

The director of the state lottery shall study the question of initiating the game of keno as a state lottery game. The director shall limit the study to keno games where tickets are sold only in premises licensed for the on-sale of alcoholic beverages, and where game drawings are televised into those premises. If the director determines from the study that the game of keno (1) is consistent with all laws that apply to the operation of the state lottery, (2) would produce a significant amount of net revenue for the state, and (3) would not be detrimental to the public health, welfare, and safety, the director may initiate keno as a state lottery game.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to gambling; recodifying and consolidating laws relating to the taxation of lawful gambling; prohibiting racetracks from accepting bets made on credit; providing for the distribution of certain horse racing purses; regulating licensed lawful gambling organizations, distributors, and manufacturers; providing for expenditure of gross profits from lawful gambling; directing the state lottery director to study keno; amending Minnesota Statutes 1990, sections 240.14, subdivision 3; 270.101, subdivision 1; 349.12, subdivisions 1, 4, 11, 18, 21, 23, and 30; 349.152, subdivisions 2 and 3; 349.153; 349.16, subdivisions 7 and 8; 349.161, subdivisions 1, 3, and 5; 349.162, subdivisions 1, 2, 4, and 5; 349.163, subdivisions 1, 1a, 3, 4, 5, 6; 349.164, subdivisions 1, 3, and 6; 349.1641; 349.166; 349.168, subdivisions 3 and 6; 349.169, subdivision 2; 349.17, by adding a subdivision; 349.174; 349.18, subdivision 2; 349.19, subdivision 6; 349.191, subdivisions 1 and 4; 349.2123; 349.2124; 349.2125, subdivisions 1 and 3; 349.2127, subdivision 2, 3, and 4; and 349.22, subdivision 1; Minnesota Statutes 1991 Supplement, sections 240.13, subdivisions 5, 6, and 8; 240.15, subdivision 6; 240.18, by adding a subdivision; 349.12, subdivision 25; 349.15; 349.151, subdivision 4; 349.154, subdivision 2; 349.167, subdivision 4; 349.18, subdivisions 1 and 1a; and 349.213, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 297E; repealing Minnesota Statutes 1990, sections 349.166, subdivision 4; 349.212, as amended; 349.2121; 349.2122; 349.215; 349.2151; 349.2152; 349.216; 349.217; 349.2171; 349.218; and 349.219; Minnesota Statutes 1991 Supplement, section 349.19, subdivision 9."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 1934, A bill for an act relating to housing; modifying requirements for lead education, assessment, screening, and abatement; transferring rule authority from the commissioner of the pollution control agency to the commissioner of health; establishing a lead abatement account in the housing development fund; creating a lead abatement and training program; establishing a lead abatement program; creating a lead fund; establishing a lead abatement fee on petroleum storage tanks; establishing a paint tax; providing penalties; amending Minnesota Statutes 1990, sections 144.871, subdivisions 3, 6, 8, and by adding subdivisions; 144.872, subdivisions 1, 2, 3, 4, and by adding a subdivision; 144.873, subdivisions 2 and 3; 144.874, subdivision 4; 144.876; and 144.878, subdivision 2, and by adding a subdivision; 462A.21, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 144.871, subdivision 2; 144.873, subdivision 1; 144.874, subdivisions 1, 2, 3, and 12; 326.87, subdivision 1; and 462A.05, subdivision 15c; proposing

coding for new law in Minnesota Statutes, chapters 115C; and 268; proposing coding for new law as Minnesota Statutes, chapter 297E; repealing Minnesota Statutes 1990, sections 116.51; 116.52; 116.53, subdivision 1; and 144.878, subdivision 4.

Reported the same back with the following amendments:

Page 4, line 26, delete "lead advocacy" and insert "nonprofit"

Pages 20 and 21, delete section 1

Page 21, line 14, delete "115C.081 and 297E.01,"

Page 21, line 15, delete "subdivision 11" and insert "287.12, paragraph (b), and 287.21, subdivision 2, paragraph (b)"

Pages 22 to 25, delete sections 3 and 4 and insert:

"Sec. 2. Minnesota Statutes 1991 Supplement, section 287.05, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED.] A tax of ~~23~~ 26 cents is imposed upon each $100, or fraction thereof, of the principal debt or obligation which is or may be secured by any mortgage of real property situated within the state executed, delivered, and recorded or registered; provided, however, that the tax shall be imposed but once upon any mortgage and extension thereof. If the mortgage describes real estate situated outside of this state, the tax shall be imposed upon that proportion of the whole debt secured thereby as the value of the real estate therein described situated in this state bears to the value of the whole of the real estate described therein. The tax imposed by this section shall not apply to a contract for the conveyance of any interest in real estate.

Sec. 3. Minnesota Statutes 1990, section 287.12, is amended to read:

287.12 [TAXES, HOW APPORTIONED.]

(a) All taxes paid to the county treasurer under the provisions of sections 287.01 to 287.12 shall be apportioned, 97 percent to the general fund of the state, and three percent to the county revenue fund.

(b) Notwithstanding paragraph (a), the taxes attributable to three cents per $100 or fraction thereof of the tax rate under section 287.05, subdivision 1, are apportioned to the lead fund in the state treasury under section 1.

(c) On or before the tenth day of each month the county treasurer shall determine and pay to the commissioner of revenue for deposit in the state treasury and credit to the general fund the state's portion of the receipts from the mortgage registration tax during the preceding month. The county treasurer shall provide any related reports requested by the commissioner of revenue.

Sec. 4. Minnesota Statutes 1990, section 287.21, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED.] There is hereby imposed on each deed, instrument, or writing by which any lands, tenements, or other realty in this state shall be granted, assigned, transferred or otherwise conveyed, a tax determined in the following manner. When transfers are made by instruments pursuant to mergers, consolidations, sales or transfers of substantially all of the assets of corporations pursuant to plans of reorganization or there is no consideration or when the consideration, exclusive of the value of any lien or encumbrance remaining thereon at the time of sale, is $500 or less, the tax shall be ~~$1.65~~ $1.85. When the consideration, exclusive of the value of any lien or encumbrance remaining thereon at the time of sale, exceeds $500, the tax shall be ~~$1.65~~ $1.85 plus ~~$1.65~~ $1.85 for each additional $500 or fraction of that amount.

The tax applies against the total consideration, including the fair market value consideration for any personal property located on the real property conveyed by the deed and transferred as part of the total consideration, but excluding the value of any lien or encumbrance remaining on the property at the time of sale.

Sec. 5. Minnesota Statutes 1990, section 287.21, subdivision 2, is amended to read:

Subd. 2. [APPORTIONMENT OF PROCEEDS.] (a) The proceeds of the taxes levied and collected under sections 287.21 to 287.36 shall be apportioned, 97 percent to the general fund of the state, and three percent to the county revenue fund.

(b) Notwithstanding paragraph (a), the proceeds attributable to 20 cents per $500 or fraction of that amount of the tax rate imposed under subdivision 1, is apportioned to the lead fund in the state treasury under section 1."

Renumber the sections in sequence

Amend the title as follows:

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

Page 1, delete line 10

Page 1, line 11, delete everything before "amending" and insert "increasing the mortgage registration and deed tax;"

Page 1, line 17, after the first semicolon insert "287.12; 287.21, subdivisions 1 and 2;"

Page 1, line 20, after the first semicolon insert "and 287.05, subdivision 1;"

Page 1, delete line 23

Page 1, line 24, delete "chapter 297E;"

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

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 2488, A bill for an act relating to crimes; providing that certain health care providers who administer medications to relieve another person's pain do not violate the law making it a crime to aid or attempt aiding suicide; authorizing certain licensure disciplinary options against physicians, physician assistants, nurses, dentists, and pharmacists who are convicted of aiding or attempting to aid suicide; amending Minnesota Statutes 1990, sections 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 151.06, subdivision 1; and 609.215, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 147.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 147.091, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS LISTED.] The board may refuse to grant a license or may impose disciplinary action as described in section 147.141 against any physician. The following conduct is prohibited and is grounds for disciplinary action:

(a) Failure to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or rules of the board.

The burden of proof shall be upon the applicant to demonstrate such qualifications or satisfaction of such requirements.

(b) Obtaining a license by fraud or cheating, or attempting to subvert the licensing examination process. Conduct which subverts or attempts to subvert the licensing examination process includes, but is not limited to: (1) conduct which violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (2) conduct which violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (3) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(c) Conviction, during the previous five years, of a felony reasonably related to the practice of medicine or osteopathy. Conviction as used in this subdivision shall include a conviction of an offense which if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered thereon.

(d) Revocation, suspension, restriction, limitation, or other disciplinary action against the person's medical license in another state or jurisdiction, failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction, or having been refused a license by any other state or jurisdiction.

(e) Advertising which is false or misleading, which violates any rule of the board, or which claims without substantiation the positive cure of any disease, or professional superiority to or greater skill than that possessed by another physician.

(f) Violating a rule promulgated by the board or an order of the board, a state, or federal law which relates to the practice of medicine, or in part regulates the practice of medicine including without limitation sections 148A.02, 609.344, and 609.345, or a state or federal narcotics or controlled substance law.

(g) Engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare or safety of a patient; or medical practice which is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established.

(h) Failure to supervise a physician's assistant or failure to supervise a physician under any agreement with the board.

(i) Aiding or abetting an unlicensed person in the practice of medicine, except that it is not a violation of this paragraph for a physician to employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health services if that person is practicing within the scope of that person's license or registration or delegated authority.

(j) Adjudication as mentally incompetent, mentally ill or mentally retarded, or as a chemically dependent person, a person dangerous to the public, or a person who has a psychopathic personality by a court of competent jurisdiction, within or without this state. Such adjudication shall automatically suspend a license for the duration thereof unless the board orders otherwise.

(k) Engaging in unprofessional conduct. Unprofessional conduct shall include any departure from or the failure to conform to the minimal standards of acceptable and prevailing medical practice in which proceeding actual injury to a patient need not be established.

(l) Inability to practice medicine with reasonable skill and safety to patients by reason of illness, drunkenness, use of drugs, narcotics, chemicals or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills.

(m) Revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law.

(n) Failure by a doctor of osteopathy to identify the school of healing in the professional use of the doctor's name by one of the following terms: osteopathic physician and surgeon, doctor of osteopathy, or D.O.

(o) Improper management of medical records, including failure to maintain adequate medical records, to comply with a patient's request made pursuant to section 144.335 or to furnish a medical record or report required by law.

(p) Fee splitting, including without limitation:

(1) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate, or remuneration, directly or indirectly, primarily for the referral of patients or the prescription of drugs or devices;

(2) dividing fees with another physician or a professional corporation, unless the division is in proportion to the services provided

and the responsibility assumed by each professional and the physician has disclosed the terms of the division;

(3) referring a patient to any health care provider as defined in section 144.335 in which the referring physician has a significant financial interest unless the physician has disclosed the physician's own financial interest; and

(4) dispensing for profit any drug or device, unless the physician has disclosed the physician's own profit interest.

The physician must make the disclosures required in this clause in advance and in writing to the patient and must include in the disclosure a statement that the patient is free to choose a different health care provider. This clause does not apply to the distribution of revenues from a partnership, group practice, nonprofit corporation, or professional corporation to its partners, shareholders, members, or employees if the revenues consist only of fees for services performed by the physician or under a physician's direct supervision, or to the division or distribution of prepaid or capitated health care premiums, or fee-for-service withhold amounts paid under contracts established under other state law.

(q) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(r) Becoming addicted or habituated to a drug or intoxicant.

(s) Prescribing a drug or device for other than medically accepted therapeutic or experimental or investigative purposes authorized by a state or federal agency or referring a patient to any health care provider as defined in section 144.335 for services or tests not medically indicated at the time of referral.

(t) Engaging in conduct with a patient which is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior which is seductive or sexually demeaning to a patient.

(u) Failure to make reports as required by section 147.111 or to cooperate with an investigation of the board as required by section 147.131.

(v) Aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(1) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(2) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(3) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(4) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.

Sec. 2. [147.36] [PHYSICIAN ASSISTANT; DISCIPLINARY OPTIONS FOR AIDING OR ATTEMPTING TO AID SUICIDE.]

The board of medical examiners shall refuse to grant or renew a registration, or shall suspend or revoke a registration, or use any reasonable lesser remedy against a physician assistant if the assistant aids suicide or aids attempted suicide in violation of section 609.215 as established by any of the following:

(1) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(2) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(3) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(4) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.

Sec. 3. Minnesota Statutes 1990, section 148.261, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS LISTED.] The board shall have power to deny, revoke, suspend, limit, or condition the license and registration of any person to practice professional or practical nursing pursuant to sections 148.171 to 148.285, or to otherwise discipline a licensee or applicant as described in section 148.262. The following are grounds for disciplinary action:

(1) Failure to demonstrate the qualifications or satisfy the requirements for a license contained in section 148.171 to 148.285 or rules of the board. In the case of a person applying for a license, the burden of proof is upon the applicant to demonstrate the qualifications or satisfaction of the requirements.

(2) Employing fraud or deceit in procuring or attempting to procure a permit, license, or registration certificate to practice

professional or practical nursing or attempting to subvert the licensing examination process. Conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to:

(i) conduct that violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination;

(ii) conduct that violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or

(iii) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(3) Conviction during the previous five years of a felony or gross misdemeanor reasonably related to the practice of professional or practical nursing. Conviction as used in this subdivision shall include a conviction of an offense that if committed in this state would be considered a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered.

(4) Revocation, suspension, limitation, conditioning, or other disciplinary action against the person's professional or practical nursing license in another state, territory, or country; failure to report to the board that charges regarding the person's nursing license are pending in another state, territory, or country; or having been refused a license by another state, territory, or country.

(5) Failure to or inability to perform professional or practical nursing as defined in section 148.171, paragraph (3) or (5), with reasonable skill and safety, including failure of a registered nurse to supervise or a licensed practical nurse to monitor adequately the performance of acts by any person working at the nurse's direction.

(6) Engaging in unprofessional conduct including, but not limited to, a departure from or failure to conform to board rules of professional or practical nursing practice that interpret the statutory definition of professional or practical nursing as well as provide criteria for violations of the statutes, or, if no rule exists, to the minimal standards of acceptable and prevailing professional or practical nursing practice, or any nursing practice that may create unnecessary danger to a patient's life, health, or safety. Actual injury to a patient need not be established under this clause.

(7) Delegating or accepting the delegation of a nursing function or a prescribed health care function when the delegation or acceptance could reasonably be expected to result in unsafe or ineffective patient care.

(8) Actual or potential inability to practice nursing with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition.

(9) Adjudication as mentally incompetent, mentally ill, a chemically dependent person, or a person dangerous to the public by a court of competent jurisdiction, within or without this state.

(10) Engaging in any unethical conduct including, but not limited to, conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient. Actual injury need not be established under this clause.

(11) Engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient, or engaging in sexual exploitation of a patient or former patient.

(12) Obtaining money, property, or services from a patient, other than reasonable fees for services provided to the patient, through the use of undue influence, harassment, duress, deception, or fraud.

(13) Revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law.

(14) Engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws or state medical assistance laws.

(15) Improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to section 144.335, or to furnish a patient record or report required by law.

(16) Knowingly aiding, assisting, advising, or allowing an unlicensed person to engage in the unlawful practice of professional or practical nursing.

(17) Violating a rule adopted by the board, an order of the board, or a state or federal law relating to the practice of professional or practical nursing, or a state or federal narcotics or controlled substance law.

(18) Aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.

Sec. 4. Minnesota Statutes 1990, section 150A.08, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] The board may refuse or by order suspend or revoke, limit or modify by imposing conditions it deems necessary, any license to practice dentistry or dental hygiene or the registration of any dental assistant upon any of the following grounds:

(1) Fraud or deception in connection with the practice of dentistry or the securing of a license or annual registration certificate;

(2) Conviction, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court of a felony or gross misdemeanor reasonably related to the practice of dentistry as evidenced by a certified copy of the conviction;

(3) Conviction, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court of an offense involving moral turpitude as evidenced by a certified copy of the conviction;

(4) Habitual overindulgence in the use of intoxicating liquors;

(5) Improper or unauthorized prescription, dispensing, administering, or personal or other use of any legend drug as defined in chapter 151, of any chemical as defined in chapter 151, or of any controlled substance as defined in chapter 152;

(6) Conduct unbecoming a person licensed to practice dentistry or dental hygiene or registered as a dental assistant, or conduct contrary to the best interest of the public, as such conduct is defined by the rules of the board;

(7) Gross immorality;

(8) Any physical, mental, emotional, or other disability which adversely affects a dentist's, dental hygienist's, or registered dental assistant's ability to perform the service for which the person is licensed or registered;

(9) Revocation or suspension of a license, registration, or equivalent authority to practice, or other disciplinary action or denial of a license or registration application taken by a licensing, registering, or credentialing authority of another state, territory, or country as evidenced by a certified copy of the licensing authority's order, if the disciplinary action or application denial was based on facts that would provide a basis for disciplinary action under this chapter and if the action was taken only after affording the credentialed person or applicant notice and opportunity to refute the allegations or pursuant to stipulation or other agreement;

(10) Failure to maintain adequate safety and sanitary conditions for a dental office in accordance with the standards established by the rules of the board;

(11) Employing, assisting, or enabling in any manner an unlicensed person to practice dentistry;

(12) Failure or refusal to attend, testify, and produce records as directed by the board under subdivision 7; ~~or~~

(13) Violation of, or failure to comply with, any other provisions of sections 150A.01 to 150A.12, the rules of the board of dentistry, or any disciplinary order issued by the board or for any other just cause related to the practice of dentistry. Suspension, revocation, modification or limitation of any license shall not be based upon any judgment as to therapeutic or monetary value of any individual drug prescribed or any individual treatment rendered, but only upon a repeated pattern of conduct~~.~~; or

(14) Aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.

Sec. 5. Minnesota Statutes 1990, section 151.06, subdivision 1, is amended to read:

Subdivision 1. (a) [POWERS AND DUTIES.] The board of pharmacy shall have the power and it shall be its duty:

(1) to regulate the practice of pharmacy;

(2) to regulate the manufacture, wholesale, and retail sale of drugs within this state;

(3) to regulate the identity, labeling, purity, and quality of all drugs and medicines dispensed in this state, using the United States Pharmacopeia and the National Formulary, or any revisions thereof, or standards adopted under the federal act as the standard;

(4) to enter and inspect by its authorized representative any and all places where drugs, medicines, medical gases, or veterinary drugs or devices are sold, vended, given away, compounded, dispensed, manufactured, wholesaled, or held; it may secure samples or specimens of any drugs, medicines, medical gases, or veterinary drugs or devices after paying or offering to pay for such sample; it shall be entitled to inspect and make copies of any and all records of shipment, purchase, manufacture, quality control, and sale of these items provided, however, that such inspection shall not extend to financial data, sales data, or pricing data;

(5) to examine and license as pharmacists all applicants whom it shall deem qualified to be such;

(6) to license wholesale drug distributors;

(7) to deny, suspend, revoke, or refuse to renew any registration or license required under this chapter, to any applicant or registrant or licensee upon any of the following grounds:

(i) fraud or deception in connection with the securing of such license or registration;

(ii) in the case of a pharmacist, conviction in any court of a felony;

(iii) in the case of a pharmacist, conviction in any court of an offense involving moral turpitude;

(iv) habitual indulgence in the use of narcotics, stimulants, or depressant drugs; or habitual indulgence in intoxicating liquors in a manner which could cause conduct endangering public health;

(v) unprofessional conduct or conduct endangering public health;

(vi) gross immorality;

(vii) employing, assisting, or enabling in any manner an unlicensed person to practice pharmacy;

(viii) conviction of theft of drugs, or the unauthorized use, possession, or sale thereof;

(ix) violation of any of the provisions of this chapter or any of the rules of the state board of pharmacy;

(x) in the case of a pharmacy license, operation of such pharmacy without a pharmacist present and on duty;

(xi) in the case of a pharmacist, physical or mental disability which could cause incompetency in the practice of pharmacy; ~~or~~

(xii) in the case of a pharmacist, the suspension or revocation of a license to practice pharmacy in another state; or

(xiii) in the case of a pharmacist, aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(a) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(b) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(c) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(d) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2;

(8) to employ necessary assistants and make rules for the conduct of its business; and

(9) to perform such other duties and exercise such other powers as the provisions of the act may require.

(b) [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a pharmacist has violated a statute or rule that the board is empowered to enforce and continued practice by the pharmacist would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the pharmacist, specifying

the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held under the administrative procedure act. The pharmacist shall be provided with at least 20 days notice of any hearing held under this subdivision.

(c) [RULES.] For the purposes aforesaid, it shall be the duty of the board to make and publish uniform rules not inconsistent herewith for carrying out and enforcing the provisions of this chapter.

Sec. 6. Minnesota Statutes 1990, section 609.215, is amended by adding a subdivision to read:

Subd. 3. [ACTS OR OMISSIONS NOT CONSIDERED AIDING SUICIDE OR AIDING ATTEMPTED SUICIDE.] (a) A health care provider, as defined in section 145B.02, subdivision 6, who administers, prescribes, or dispenses medications or procedures to relieve another person's pain or discomfort, even if the medication or procedure may hasten or increase the risk of death, does not violate this section unless the medications or procedures are knowingly administered, prescribed, or dispensed to cause death.

(b) A health care provider, as defined in section 145B.02, subdivision 6, who withholds or withdraws a life-sustaining procedure in compliance with chapter 145B, in accordance with reasonable medical practice or in accordance with the patient's common law, statutory, or constitutional right to decline treatment does not violate this section.

Sec. 7. Minnesota Statutes 1990, section 609.215, is amended by adding a subdivision to read:

Subd. 4. [INJUNCTIVE RELIEF.] A cause of action for injunctive relief may be maintained against any person who is reasonably believed to be about to violate or who is in the course of violating this section by any person who is:

(1) the spouse, parent, child, or sibling of the person who would commit suicide;

(2) an heir or a beneficiary under a life insurance policy of the person who would commit suicide;

(3) a health care provider of the person who would commit suicide;

(4) a public official authorized to prosecute or enforce the laws of this state; or

(5) a legally appointed guardian or conservator of the person who would have committed suicide.

Sec. 8. Minnesota Statutes 1990, section 609.215, is amended by adding a subdivision to read:

Subd. 5. [CIVIL DAMAGES.] A person given standing by subdivision 4, clause (1), (2), or (5), may maintain a cause of action against any person who violates or who attempts to violate subdivision 1 or 2 for compensatory damages and punitive damages as provided in section 549.20. A public official described in subdivision 4, clause (4), may maintain a cause of action against a person who violates or attempts to violate subdivision 1 or 2 for a civil penalty of up to $50,000 on behalf of the state plus attorney fees. An action under this subdivision may be brought whether or not the plaintiff had prior knowledge of the violation or attempt.

Sec. 9. Minnesota Statutes 1990, section 609.215, is amended by adding a subdivision to read:

Subd. 6. [ATTORNEY FEES.] Reasonable attorney fees shall be awarded to the prevailing plaintiff in a civil action brought under subdivision 4."

Delete the title and insert:

"A bill for an act relating to crimes; providing that certain health care providers who administer medications to relieve another person's pain do not violate the law making it a crime to aid or attempt aiding suicide; authorizing certain licensure disciplinary options against physicians, physician assistants, nurses, dentists, and pharmacists who are convicted of aiding or attempting to aid suicide; amending Minnesota Statutes 1990, sections 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 151.06, subdivision 1; and 609.215, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 147."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2623, A bill for an act relating to the Mississippi river headwaters area; updating and changing provisions relating to activities of the Mississippi headwaters board; amending Minnesota Statutes 1990, sections 103F.365, subdivision 1, and by adding a subdivision; 103F.369, subdivision 1; and 103F.371; Minnesota Statutes 1991 Supplement, section 103F.369, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 103F.361, subdivision 2, is amended to read:

Subd. 2. [LEGISLATIVE INTENT.] It is the intent of sections 103F.361 to 103F.377 to authorize and direct the board and the counties to implement ~~this comprehensive~~ the plan for the Mississippi headwaters area.

Sec. 2. Minnesota Statutes 1990, section 103F.363, subdivision 2, is amended to read:

Subd. 2. [LEECH LAKE INDIAN RESERVATION.] Sections 103F.361 to 103F.377 do not alter or expand the zoning jurisdiction of the counties within the exterior boundaries of the Leech Lake Indian Reservation. The ~~comprehensive~~ plan ~~of the board~~ and the county ordinances adopted pursuant to section 103F.369, subdivision ~~1~~ 4, apply only to areas within the zoning jurisdiction of the counties as provided by law in effect prior to May 20, 1981.

Sec. 3. Minnesota Statutes 1990, section 103F.365, is amended by adding a subdivision to read:

Subd. 4. [PLAN.] "Plan" means the comprehensive land use plan approved by the board and dated July 1, 1992.

Sec. 4. Minnesota Statutes 1990, section 103F.367, subdivision 6, is amended to read:

Subd. 6. [FUNDING.] The board shall annually submit to each county for its approval an estimate of the funds it will need from that county in the next fiscal year to prepare and implement the ~~comprehensive land use~~ plan and otherwise carry out the duties imposed upon it by sections 103F.361 to 103F.377. Each county shall, upon approval of the estimate by its governing body, furnish the necessary funds to the board. The board may apply for, receive, and disburse federal, state, and other grants and donations.

Sec. 5. Minnesota Statutes 1990, section 103F.369, subdivision 1, is amended to read:

Subdivision 1. [~~ADOPTION OF EXISTING PLAN~~ IMPLEMENTATION REQUIRED.] The ~~comprehensive land use~~ plan ~~prepared by the board and approved by resolution adopted on February 12, 1981, is the comprehensive land use plan authorized by section 103F.367, subdivision 1, and~~ shall be implemented by the board as provided in this section and section 103F.373.

Sec. 6. Minnesota Statutes 1991 Supplement, section 103F.369, subdivision 2, is amended to read:

Subd. 2. [PLAN PROVIDES MINIMUM STANDARDS.] The standards set forth in the plan are the minimum standards which may be adopted by the board and by the counties for the protection and enhancement of the natural, scientific, historical, recreational and cultural values of the Mississippi River and related shoreland areas subject to the plan. Except for forest management, fish and wildlife habitat improvement, a veterans cemetery that complies with subdivision 5, and open space recreational uses as defined in the plan, state or county lands within the boundaries established by the plan may not be offered for public sale or lease. The board with the agreement, expressed by resolution adopted after public hearing, of the county boards of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing, and Morrison counties may amend the plan in any way that does not reduce the minimum standards set forth in the plan ~~approved on February 12, 1981~~.

Sec. 7. Minnesota Statutes 1990, section 103F.369, subdivision 4, is amended to read:

Subd. 4. [COUNTY LAND USE ORDINANCE MUST BE CONSISTENT WITH PLAN.] The counties shall adopt land use ordinances consistent with the ~~comprehensive land use~~ plan ~~of the board~~.

Sec. 8. Minnesota Statutes 1990, section 103F.371, is amended to read:

103F.371 [RESPONSIBILITIES OF OTHER GOVERNMENTAL UNITS.]

All local and special governmental units, councils, commissions, boards and districts and all state agencies and departments must exercise their powers so as to further the purposes of sections 103F.361 to 103F.377 and the ~~land use~~ plan ~~adopted by the board on February 12, 1981~~. Land owned by the state, its agencies, and political subdivisions shall be administered in accordance with the ~~land use~~ plan ~~adopted by the board on February 12, 1981~~.

Actions that comply with the land use ordinance are consistent with the plan. Actions that do not comply with the ordinance may not be started until the board has been notified and given an opportunity to review and comment on the consistency of the action with this section.

Sec. 9. Minnesota Statutes 1990, section 103F.373, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] To assure that the ~~comprehensive land use~~ plan ~~prepared by the board~~ is not nullified by unjustified exceptions in particular cases and to promote uniformity in the treatment of applications for exceptions, a review and certification procedure is established for the following categories of land use actions taken by the counties and directly or indirectly affecting land use within the area covered by the plan:

(1) the adoption or amendment of an ordinance regulating the use of land, including rezoning of particular tracts of land;

(2) the granting of a variance from provisions of the land use ordinance; and

(3) the approval of a plat which is inconsistent with the land use ordinance.

Sec. 10. Minnesota Statutes 1990, section 103F.373, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATION.] Notwithstanding any provision of chapter 394 to the contrary, an action of a type specified in subdivision 1, clauses (1) to (3), is not effective until the board has reviewed the action and certified that it is consistent with the ~~comprehensive~~ plan ~~of the board~~. In determining consistency of ordinances and ordinance amendments, the provisions of the ~~comprehensive land use~~ plan shall be considered minimum standards. An aggrieved person may appeal a decision of the type specified in subdivision 1, clauses (1) to (3), that is reviewed by the board under this section in the same manner as provided for review of a decision of a board of adjustment in section 394.27, subdivision 9, but only after the procedures prescribed under this section have been completed.

Sec. 11. Minnesota Statutes 1990, section 103F.375, subdivision 1, is amended to read:

Subdivision 1. [MORATORIUM ON CERTAIN ACTIVITIES.] If land subject to the ~~comprehensive land use~~ plan ~~of the board~~ is annexed, incorporated, or otherwise subjected to the land use planning authority of a home rule charter or statutory city, a moratorium shall exist on:

(1) all subdivision platting and building permits on the land until zoning regulations are adopted for the land that comply with the provisions of the ~~comprehensive~~ plan ~~of the board~~; and

(2) construction, grading and filling, and vegetative cutting as those activities are defined in the ~~comprehensive~~ plan.

Sec. 12. Minnesota Statutes 1990, section 103F.377, is amended to read:

103F.377 [BIENNIAL REPORT.]

During the first year of each biennial legislative session, the board shall prepare and present to the appropriate policy committees of the legislature a report concerning the actions of the board in exercising the authority granted by the legislature under sections 103F.361 to 103F.377. The report must include an assessment of the effectiveness of the ~~board's comprehensive land use~~ plan and its implementation in protecting and enhancing the natural, scientific, historical, recreational, and cultural values of the Mississippi River and related shorelands situated within the member counties.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective upon approval by the governing bodies of the counties of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing, and Morrison, and compliance with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to the Mississippi river headwaters area; updating and changing provisions relating to activities of the Mississippi headwaters board; amending Minnesota Statutes 1990, sections 103F.361, subdivision 2; 103F.363, subdivision 2; 103F.365, by adding a subdivision; 103F.367, subdivision 6; 103F.369, subdivisions 1 and 4; 103F.371; 103F.373, subdivisions 1 and 2; 103F.375, subdivision 1; and 103F.377; Minnesota Statutes 1991 Supplement, section 103F.369, subdivision 2."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

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

H. F. No. 2624, A bill for an act relating to the environment; providing that the pollution control agency adopt rules with respect to competence and fees of underground tank installers; amending Minnesota Statutes 1990, section 116.491, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 115C.02, is amended by adding a subdivision to read:

Subd. 5a. [CONSULTANT.] "Consultant" means an individual, partnership, association, private corporation, or any other legal entity that provides consulting services. Consulting services include the rendering of professional opinion, advice, or analysis regarding a release.

Sec. 2. Minnesota Statutes 1990, section 115C.02, is amended by adding a subdivision to read:

Subd. 5b. [CONTRACTOR.] "Contractor" means an individual, partnership, association, private corporation, or any other legal entity that provides contractor services. Contractor services means products and services within a scope of work that can be defined by typical written plans and specifications including, but not limited to, excavation, treatment of contaminated soil and groundwater, soil borings and well installations, laboratory analysis, surveying, electrical, plumbing, carpentry, and equipment.

Sec. 3. Minnesota Statutes 1990, section 115C.03, is amended by adding a subdivision to read:

Subd. 10. [RETENTION OF RECORDS.] A person who applies for reimbursement under this chapter and a contractor or consultant who has billed the applicant for services that are part of the claim for reimbursement must maintain all records related to the claim for reimbursement for a minimum of five years from the date the claim for reimbursement is submitted to the board.

Sec. 4. [115C.045] [KICKBACKS.]

A consultant or contractor, as a condition of performing services, may not agree to pay or forgive the nonreimbursable portion of an application for reimbursement submitted under this chapter. An applicant may not accept forgiveness or demand payment from a consultant or contractor for the nonreimbursable portion of an application for reimbursement submitted under this chapter.

Sec. 5. [115C.065] [CONSULTANT'S OR CONTRACTOR'S DUTY TO NOTIFY.]

A consultant or contractor involved in the removal of a petroleum tank shall immediately notify the agency if field instruments or

laboratory tests indicate the presence of any petroleum contamination in excess of state guidelines.

Sec. 6. Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 5, is amended to read:

Subd. 5. [RETURN OF REIMBURSEMENT.] (a) The board may demand the complete or partial return of any reimbursement made under this section if the applicant for reimbursement:

(1) misrepresents or omits a fact relevant to a determination made by the board or the commissioner under this section;

(2) fails to complete corrective action that the commissioner determined at the time of the reimbursement to be necessary to adequately address the release, unless the reimbursement was made under subdivision 3a; ~~or~~

(3) fails to reimburse a person for agreed-to amounts for corrective actions taken in response to a request by the applicant; or

(4) has entered an agreement to settle or compromise any portion of the incurred costs, prorated in the amount of the settlement or compromise.

(b) If a reimbursement under this subdivision is not returned upon demand by the board, the board may recover the reimbursement, with administrative and legal expenses, in a civil action in district court brought by the attorney general against the applicant. If the board's demand for return of the reimbursement is based on willful actions of the applicant, the applicant shall also forfeit and pay to the state a civil penalty, in an amount to be determined by the court, of not more than the full amount of the reimbursement.

Sec. 7. Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 7, is amended to read:

Subd. 7. [DUTY TO PROVIDE INFORMATION.] (a) A person who submits an application to the board for reimbursement, or who has issued invoices or other demands for payment which are the basis of an application, shall furnish to the board copies of any financial records which the board requests and which are relevant to determining the validity of the costs listed in the application, or shall make the financial records reasonably available to the board for inspection and auditing. The board may obtain access to information required to be made available under this subdivision in the manner provided in section 115C.03, subdivision 7.

(b) After reimbursement has been granted, an agreement to settle

or compromise any portion of the incurred costs shall be reported to the board by the parties to the agreement.

Sec. 8. [115C.11] [CONSULTANTS AND CONTRACTORS; SANCTIONS.]

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

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

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

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

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

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

Subd. 2. [DISQUALIFICATION.] (a) The board must automatically remove from the registration list for five years a consultant or contractor who is convicted in a criminal proceeding for submitting false or fraudulent bills that are part of a claim for reimbursement under section 115C.09. The board may, in addition, impose one or more of the sanctions in paragraph (c).

(b) The board may impose any of the sanctions set forth in paragraph (c) based on any of the following reasons:

(1) engaging in conduct that departs from or fails to conform to the minimal standards of acceptable and prevailing engineering, hydrogeological, or other technical practices within the reasonable control of the consultant or contractor;

(2) participating in a kickback scheme as prohibited by section 115C.045;

(3) engaging in conduct likely to deceive, defraud, or demonstrate a willful or careless disregard for public health or the environment;

(4) commission of fraud, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, or obstruction of justice; or

(5) revocation, suspension, restriction, limitation, or other disciplinary action against the contractor's or consultant's license or certification in another state or jurisdiction.

(c) The board may impose one or more of the following sanctions:

(1) remove a consultant or contractor from the registration list for up to five years;

(2) publicly reprimand or censure the consultant or contractor;

(3) place the consultant or contractor on probation for a period and upon terms and conditions the board prescribes;

(4) require payment of all costs of proceedings resulting in an action instituted under this paragraph; or

(5) impose a civil penalty of not more that $10,000, in an amount that the board determines will deprive the consultant or contractor of any economic advantage gained by reason of the consultant's or contractor's conduct or to reimburse the board for the cost of the investigation and proceeding.

(d) In deciding whether a particular sanction is appropriate, the board must consider the seriousness of the consultant's or contractor's acts or omissions and any mitigating factors.

(e) Civil penalties recovered by the state under this section must be credited to the account.

Subd. 3. [NOTICE OF SANCTION.] The board must notify any consultant or contractor of a proposed sanction pursuant to an investigation by the board. Notification must be made at least 30 days before the board meeting at which the proposed sanction will be considered. The notice must advise the consultant or contractor of:

(1) the fact that sanctions are being considered;

(2) the reasons for the proposed sanction in terms sufficient to put the consultant or contractor on notice of the conduct on which the proposed sanction is based;

(3) the reasons relied on under subdivision 2 for the proposed sanction;

(4) the right to request a contested case hearing under chapter 14; and

(5) the potential effect of sanctions.

Subd. 4. [EFFECTIVE DATES.] The board's order of sanction is final. The board may impose a sanction after a hearing before the board if a contested case hearing has not been requested. The sanction is effective 30 days after the board's order.

Sec. 9. Minnesota Statutes 1990, section 116.48, is amended by adding a subdivision to read:

Subd. 8. [NOTICE OF TANK INSTALLATION OR REMOVAL.] Before beginning installation or removal of an underground tank system, owners and operators must notify the commissioner. Notification must be in writing or by telephone at least ten days before the tank installation or removal. Owners and operators must renotify the commissioner if the date of the tank installation or removal changes by more than 48 hours. The notification must include the following information:

(1) the name, address, and telephone number of the site owner;

(2) the location of the site, if different from clause (1);

(3) the date of the tank installation or removal; and

(4) the name of the contractor or company that will install or remove the tank."

Delete the title and insert:

"A bill for an act relating to the environment; adding sanctions and procedures relating to petroleum tank release consultants and contractors; amending Minnesota Statutes 1990, sections 115C.02, by adding subdivisions; 115C.03, by adding a subdivision; 116.48, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 115C.09, subdivisions 5 and 7; proposing coding for new law in Minnesota Statutes, chapter 115C."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 2695, A bill for an act relating to juries; prohibiting exclusion from jury service based on a disability; amending Minnesota Statutes 1990, section 593.32.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 593.32, is amended to read:

593.32 [PROHIBITION OF DISCRIMINATION.]

A citizen shall not be excluded from jury service in this state on account of race, color, religion, sex, national origin, or economic status, or a physical or sensory disability, if reasonable accommodation can be made."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2878, A bill for an act relating to economic development; authorizing the establishment of the Mille Lacs preservation and development board; providing for the designation of enterprise zones; proposing coding for new law in Minnesota Statutes, chapter 103F.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 88.01, is amended by adding a subdivision to read:

Subd. 24. [CAMPFIRE.] "Campfire" means a fire set for cooking, warming, or ceremonial purposes, which is not more than three feet in diameter by three feet high, and has had the ground five feet from the base of the fire cleared of all combustible material.

Sec. 2. Minnesota Statutes 1990, section 88.01, is amended by adding a subdivision to read:

Subd. 25. [SNOW COVERED.] "Snow covered" means that the ground has a continuous, unbroken cover of snow, to a depth of three inches or more, surrounding the immediate area of the fire sufficient to keep the fire from spreading.

Sec. 3. Minnesota Statutes 1990, section 88.16, subdivision 2, is amended to read:

Subd. 2. No permit is required for the following open fires:

(a) A cooking or warming fire contained in a fireplace, firering, charcoal grill, portable gas or liquid fueled camp stove or other similar container or device designed for the purpose of cooking or heating, or if the area within a radius of five feet of the fire is reasonably clear of all combustible material.

(b) The burning of grass, leaves, rubbish, garbage, branches, and similar combustible material between the hours of 6:00 p.m. and 8:00 a.m. in an approved incinerator. An approved incinerator shall be constructed of fire resistant material, have a capacity of at least three bushels, be maintained with a minimum burning capacity of at least two bushels, and have a cover which is closed when in use and openings in the top or sides of one inch maximum diameter. No combustible material shall be nearer than three feet to the burner or incinerator when in use.

Sec. 4. [103F.806] [APPLICATION.]

Sections 4 to 10 apply to the area of the counties of Mille Lacs, Crow Wing, and Aitkin located within one mile of Mille Lacs Lake. Sections 4 to 10 do not alter or expand the zoning jurisdiction of the counties within the exterior boundaries of the Mille Lacs Indian reservation.

Sec. 5. [103F.807] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 4 to 10.

Subd. 2. [BOARD.] "Board" means the Mille Lacs preservation and development board.

Subd. 3. [COMPREHENSIVE LAND USE PLAN; PLAN.] "Comprehensive land use plan" or "plan" means the Mille Lacs Lake comprehensive land use plan.

Subd. 4. [COUNTIES.] "Counties" means the counties of Mille Lacs, Crow, Wing, and Aitkin.

Sec. 6. [103F.808] [MILLE LACS PRESERVATION AND DEVELOPMENT BOARD.]

Subdivision 1. [AUTHORIZATION.] The governing bodies of the counties of Mille Lacs, Crow Wing, and Aitkin may establish the Mille Lacs preservation and development board.

Subd. 2. [MEMBERSHIP.] The board shall consist of six members. The governing body of each county shall appoint two of its members to serve on the board. The membership terms are two years beginning on the first Monday in January of odd-numbered years. Vacancies on the board must be filled for the remainder of the term by the governing body that made the original appointment.

Subd. 3. [OFFICERS.] The board shall annually appoint from among its members a chair, vice-chair, and secretary-treasurer.

Subd. 4. [STAFF AND CONTRACTS.] The board may employ staff and contract for goods and services necessary to carry out its duties.

Subd. 5. [FUNDING.] The board shall submit an annual budget to each county. The budget must include a detailed written estimate of the amount of money that the board expects to need to prepare and implement the comprehensive land use plan and to carry out its other duties. Each county shall, upon approval of the budget by its governing body, furnish the necessary amount of money to the board. The board may apply for, receive, and disburse federal, state, and other grants and donations.

Subd. 6. [ADVISORY COMMITTEE.] The board shall appoint an advisory committee to advise and assist the board in carrying out its duties. Members of the committee must include representatives of other local government units, owners of businesses, and owners of property located within the board's jurisdiction.

Subd. 7. [CONTACT WITH GOVERNMENT AGENCIES.] The board shall initiate and maintain contacts with governmental agencies as necessary to properly prepare the plan and shall negotiate cooperative management agreements with the United States Forest Service and Bureau of Land Management and the state department of natural resources. The board and Mille Lacs, Crow Wing, and Aitkin counties shall initiate and maintain contacts with the governing body of the Mille Lacs Indian Reservation and shall negotiate a cooperative management and jurisdiction agreement with the reservation governing body.

Sec. 7. [103F.809] [MILLE LACS LAKE COMPREHENSIVE LAND USE PLAN.]

Subdivision 1. [PREPARATION.] The board shall prepare the Mille Lacs Lake comprehensive land use plan. The standards specified in the plan must provide for the protection, enhancement, and coordinated development of the area surrounding Mille Lacs Lake.

Subd. 2. [ADOPTION.] The board may adopt the plan after a public hearing has been held on the question. Notice of the hearing must include the time and place of the hearing. Notice of the hearing must be given by publication in at least two issues of the official newspaper of each county. The two publications must be two weeks apart and the hearing must be held at least three days after the last publication.

Subd. 3. [AMENDMENTS.] The board may amend the plan after a hearing and notice as provided in subdivision 2.

Subd. 4. [IMPLEMENTATION.] The plan is effective and may be implemented in each county only after the governing body of each county has approved the plan by resolution. The counties shall adopt land use ordinances consistent with the approved plan.

Sec. 8. [103F.810] [RESPONSIBILITIES OF OTHER GOVERNMENT UNITS.]

All local government units, districts, councils, commissions, and boards and state agencies and departments shall exercise their powers in conformance with sections 4 to 9 and the plan.

Sec. 9. [103F.811] [REVIEW AND CERTIFICATION OF LAND USE ACTIONS.]

Subdivision 1. [PROCEDURE.] To assure that the comprehensive land use plan prepared by the board is not nullified by unjustified exceptions in particular cases and to promote uniformity in the treatment of applications for exceptions, a review and certification procedure is established for the following categories of land use actions taken by the counties and directly or indirectly affecting land use within the area covered by the plan:

(1) the adoption or amendment of an ordinance regulating the use of land, including rezoning of particular tracts of land;

(2) the granting of a variance from provisions of the land use ordinance; and

(3) the approval of a plat which is inconsistent with the land use ordinance.

Subd. 2. [CERTIFICATION.] Notwithstanding any provision of chapter 394 to the contrary, an action of a type specified in subdivision 1, clauses (1) to (3), is not effective until the board has reviewed the action and certified that it is consistent with the comprehensive land use plan. In determining consistency of ordinances and ordinance amendments, the provisions of the comprehensive land use plan shall be considered minimum standards. An aggrieved person may appeal a decision of the type specified in subdivision 1, clauses (1) to (3), that is reviewed by the board under this section in the same manner as provided for review of a decision of a board of adjustment in section 394.27, subdivision 9, but only after the procedures prescribed under this section have been completed.

Subd. 3. [CERTIFICATION.] A copy of the notices of public hearings or, when a hearing is not required, a copy of the application to consider an action of a type specified in subdivision 1, clauses (1) to (3), must be forwarded to the board by the county at least 15 days before the hearing or meetings to consider the actions. The county shall notify the board of its final decision on the proposed action within ten days of the decision. Within 30 days after the board receives the notice, the board shall notify the county and the applicant of its approval or disapproval of the proposed action.

Subd. 4. [DISAPPROVAL OF ACTIONS.] (a) If a notice of disapproval is issued by the board, the county or the applicant may, within 30 days of the notice, file with the board a demand for a hearing. If a demand is not filed within the 30-day period, the disapproval becomes final.

(b) If a demand is filed within the 30-day period, a hearing must be held within 60 days of demand. The hearing must be preceded by two weeks' published notice. Within 30 days after the hearing, the board must:

(1) affirm its disapproval of the proposed action; or

(2) certify approval of the proposed action.

Sec. 10. [103F.812] [ENTERPRISE ZONES.]

After the comprehensive land use plan has been adopted and approved, the commissioner of trade and economic development may designate up to four areas within the jurisdiction of the board as enterprise zones as provided in section 469.167. Sections 469.167 to 469.173 apply to each enterprise zone designated under this section.

Sec. 11. [EFFECTIVE DATE.]

Sections 4 to 10 are effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing bodies of the counties of Mille Lacs, Crow Wing, and Aitkin."

Delete the title and insert:

"A bill for an act relating to economic development; authorizing the establishment of the Mille Lacs preservation and development board; providing for the designation of enterprise zones; changing restrictions on campfires; amending Minnesota Statutes 1990, sections 88.01, by adding subdivisions; and 88.16, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 103F."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2940, A bill for an act relating to taxation; income and franchise; updating references to the Internal Revenue Code; providing for payment of corporate estimated tax; amending Minnesota Statutes 1990, section 289A.26, subdivision 7; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

LOCAL GOVERNMENT TRUST

Section 1. Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 4, is amended to read:

Subd. 4. [GENERAL FUND ADVANCES.] If the money in the trust fund is insufficient to make payments on the dates provided by law, but the commissioner estimates receipts for the ~~fiscal year~~ biennium will be sufficient, the commissioner shall advance money from the general fund to the trust fund necessary to make the payments. On or before the close of the biennium the trust shall repay the advances ~~with interest, calculated at the rate of earnings on invested treasurer's cash,~~ to the general fund.

Sec. 2. [207A.10] [REIMBURSEMENT OF ELECTION EXPENSES.]

Subdivision 1. [DUTIES OF SECRETARY OF STATE.] The secretary of state shall reimburse the counties and municipalities for expenses incurred in the administration of the presidential primary from the funds appropriated by the legislature for this purpose, as provided in this section. Up to $7,500 of the appropriation for reimbursement of election expenses may be retained by the secretary of state to administer the reimbursement program.

Subd. 2. [REIMBURSABLE EXPENSES.] The following expenses are eligible for reimbursement: salaries of election judges; postage for absentee ballots; preparation of polling places, in an amount not to exceed $25 per polling place; preparation of electronic voting systems or lever voting machines, in an amount not to exceed $50 per precinct; compensation of county canvassing board members; and compensation for temporary staff or overtime payments.

Subd. 3. [CERTIFICATION OF COSTS.] The county auditor shall certify to the secretary of state the costs incurred by the county for the presidential primary. The municipal clerk shall certify to the secretary of state the costs incurred by the municipality for the presidential primary. If the total amount certified by all units for temporary staff and overtime payments exceeds $480,000, the secretary of state shall reduce those amounts so that they do not exceed $480,000. The secretary of state shall provide each county and municipality with the appropriate forms for this certification. The secretary of state may require that the county auditor or municipal clerk provide documentation of actual expenditures made for the presidential primary. The certification of costs must be submitted to the secretary of state no later than 60 days after the presidential primary. No reimbursement of expenses must be made unless the certification of costs has been submitted as provided in this subdivision.

Subd. 4. [APPORTIONMENT OF REIMBURSEMENTS.] If the total amount of requests for reimbursement of expenses exceeds the total amount appropriated to the secretary of state for this purpose, the secretary of state shall proportionately reduce the reimbursements so that they do not exceed the amount appropriated.

Sec. 3. Minnesota Statutes 1991 Supplement, section 256.025, subdivision 3, is amended to read:

Subd. 3. [PAYMENT METHODS.] (a) Beginning July 1, 1991, the state will reimburse counties for the county share of county agency expenditures for benefits and services distributed under subdivision 2 and funded by the human services account established under section 273.1392, except as follows:

(1) beginning July 1, 1992, through June 30, 1993, the county shall pay 25 percent of the costs of the growth in emergency general assistance payments which exceed expenditures during the base year of calendar year 1990;

(2) beginning July 1, 1992, through June 30, 1993, the county shall pay 25 percent of the costs of the growth in eligible general assistance negotiated rate payments which exceed expenditures during the base year of calendar year 1990;

(3) beginning July 1, 1992, through June 30, 1993, the county shall pay 15 percent of the costs of the growth in Minnesota supplemental aid negotiated rate payments made which exceed expenditures during the base year of calendar year 1990;

(4) beginning July 1, 1992, through June 30, 1993, the county shall pay 50 percent of the nonfederal portion of the growth in emergency assistance payments made which exceed expenditures during the base year of calendar year 1990.

(b) Payments under subdivision 4 are only for client benefits and services distributed under subdivision 2 and do not include reimbursement for county administrative expenses.

(c) The state and the county agencies shall pay for assistance programs as follows:

(1) Where the state issues payments for the programs, the county shall monthly advance to the state, as required by the department of human services, the portion of program costs not met by federal and state funds. The advance shall be an estimate that is based on actual expenditures from the prior period and that is sufficient to compensate for the county share of disbursements as well as state and federal shares of recoveries;

(2) Where the county agencies issue payments for the programs, the state shall monthly advance to counties all federal funds available for those programs together with an amount of state funds equal to the state share of expenditures; and

(3) Payments made under this paragraph are subject to section 256.017. Adjustment of any overestimate or underestimate in advances shall be made by the state agency in any succeeding month.

Sec. 4. Minnesota Statutes 1991 Supplement, section 256.025, subdivision 4, is amended to read:

Subd. 4. [PAYMENT SCHEDULE.] Except as provided for in subdivision 3, beginning July 1, 1991, the state will reimburse counties, according to the following payment schedule, for the

county share of county agency expenditures for the programs specified in subdivision 2.

(a) Beginning July 1, 1991, the state will reimburse or pay the county share of county agency expenditures according to the reporting cycle as established by the commissioner, for the programs identified in subdivision 2. Payments for the period of January 1 through July 31, for calendar years 1991, 1992, and 1993 shall be made on or before July 10 in each of those years. Payments for the period August through December for calendar years 1991, 1992, and 1993 shall be made on or before the third of each month thereafter through December 31 in each of those years.

(b) Payment for 1/24 of the base amount and the January 1994 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before January 3, 1994. For the period of February 1, 1994, through July 31, 1994, payment of the base amount shall be made on or before July 10, 1994, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1994. Payments for the period August 1994 through December 1994 shall be made on or before the third of each month thereafter through December 31, 1994.

(c) Payment for the county share of county agency expenditures during January 1995 shall be made on or before January 3, 1995. Payment for 1/24 of the base amount and the February 1995 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before February 3, 1995. For the period of March 1, 1995, through July 31, 1995, payment of the base amount shall be made on or before July 10, 1995, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1995. Payments for the period August 1995 through December 1995 shall be made on or before the third of each month thereafter through December 31, 1995.

(d) Monthly payments for the county share of county agency expenditures from January 1996 through February 1996 shall be made on or before the third of each month through February 1996. Payment for 1/24 of the base amount and the March 1996 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before March 1996. For the period of April 1, 1996, through July 31, 1996, payment of the base amount shall be made on or before July 10, 1996, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1996. Payments for the period August 1996 through December 1996 shall be made on or before the third of each month thereafter through December 31, 1996.

(e) Monthly payments for the county share of county agency expenditures from January 1997 through March 1997 shall be made on or before the third of each month through March 1997. Payment for 1/24 of the base amount and the April 1997 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before April 3, 1997. For the period of May 1, 1997, through July 31, 1997, payment of the base amount shall be made on or before July 10, 1997, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1997. Payments for the period August 1997 through December 1997 shall be made on or before the third of each month thereafter through December 31, 1997.

(f) Monthly payments for the county share of county agency expenditures from January 1998 through April 1998 shall be made on or before the third of each month through April 1998. Payment for 1/24 of the base amount and the May 1998 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before May 3, 1998. For the period of June 1, 1998, through July 31, 1998, payment of the base amount shall be made on or before July 10, 1998, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1998. Payments for the period August 1998 through December 1998 shall be made on or before the third of each month thereafter through December 31, 1998.

(g) Monthly payments for the county share of county agency expenditures from January 1999 through May 1999 shall be made on or before the third of each month through May 1999. Payment for 1/24 of the base amount and the June 1999 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before June 3, 1999. ~~For the period of June 1, 1999, through July 31, 1999, payment shall be made on or before July 10, 1999.~~ Payments for the period ~~August~~ July 1999 through December 1999 shall be made on or before the third of each month thereafter through December 31, 1999.

(h) Effective January 1, 2000, monthly payments for the county share of county agency expenditures shall be made subsequent to the first of each month.

Payments under this subdivision are subject to the provisions of section 256.017.

Sec. 5. Minnesota Statutes 1991 Supplement, section 273.1398, subdivision 5, is amended to read:

Subd. 5. [~~ADDITIONAL HOMESTEAD AND AGRICULTURAL~~ TRANSITION CREDIT ~~GUARANTEE~~.] Beginning with taxes pay-

able in 1990, each unique taxing jurisdiction may receive ~~additional homestead and agricultural~~ transition credit ~~guarantee~~ payments.

Each year, the commissioner shall determine the total education aids paid under chapters 124 and 124A, homestead and agricultural credit aid and disparity reduction aid paid under this section, local government aid to cities, counties, and towns paid under chapter 477A, and human services aids, including, for aids paid in 1991 and thereafter, the amount paid under subdivision 5b, paid to counties for each taxing jurisdiction. The commissioner shall apportion each governmental unit's aids to each school district portion of each city and town based upon the proportion that each school district portion of each city and town's tax capacity bears to the total tax capacity of the local governmental unit. For purposes of this subdivision, "governmental unit" includes counties, cities, towns, and school districts, and excludes special taxing districts.

If the amount determined is less than the amount of homestead credit and agricultural credit received by all properties for taxes payable in 1989 in the school district portion of each city or town, the difference will be ~~additional homestead and agricultural~~ transition credit ~~guarantee~~ payments for that school district portion of the city or town in the following taxes payable year. The additional credit amount shall proportionately reduce the local tax rates of all governmental units levying taxes within that school district portion of the city or town in the following year. The commissioner shall certify the amounts of additional credits determined under this subdivision to the county auditor at the time provided in subdivision 6. For aid payable in 1992 and subsequent years, the aid payable under this subdivision shall be reduced by any reductions required in the current year and permanent reductions required in previous years under section 477A.0132.

Sec. 6. Minnesota Statutes 1990, section 274.20, subdivision 4, is amended to read:

Subd. 4. [APPROPRIATION.] There is annually appropriated from the general fund to the commissioner of revenue a sum sufficient to pay the aids provided under this section for school districts, intermediate school districts, or any group of school districts levying as a single taxing entity.

Sec. 7. Minnesota Statutes 1990, section 290A.23, is amended to read:

290A.23 [APPROPRIATION.]

There is appropriated from the general fund ~~in the state treasury~~ to the commissioner of revenue the amount necessary to make the payments required ~~by this chapter~~ under section 290A.04, subdivisions 2a, 2h, and 2i.

Sec. 8. [477A.0121] [COUNTY CORRECTIONS AID.]

Subdivision 1. [PURPOSE.] County corrections aid is intended to reduce the reliance of county criminal justice and corrections programs and associated costs on local property taxes.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following definitions apply:

(1) "population" means the population according to the most recent federal census, or according to the state demographer's most recent estimate if it has been issued subsequent to the most recent federal census; and

(2) "part one crimes" means the total number of part one crimes reported for each county by the department of public safety for the most recent year available.

Subd. 3. [FORMULA.] Each calendar year, the commissioner of revenue shall distribute county corrections aid to each county in an amount determined according to the following formula:

(1) one-half shall be distributed to each county in the same proportion that the county's population is to the population of all counties in the state; and

(2) one-half shall be distributed to each county in the same proportion that the county's part one crimes are to the total part one crimes for all counties in the state.

Subd. 4. [PAYMENT DATES.] The aid amounts for each calendar year shall be paid in two equal payments, on July 15 and December 15 of each year.

Sec. 9. Minnesota Statutes 1990, section 477A.013, subdivision 5, is amended to read:

Subd. 5. [EQUALIZATION AID.] A city is eligible for equalization aid equal to the aid amount received under this subdivision in 1990 after the adjustments, if any, under subdivisions 6 and 7, plus an equalization aid increase equal to the product of (i) a city's average levy for the three immediately preceding years less the disparity reduction aids allocated to the city pursuant to section 273.1398, subdivision 3, for the year prior to the aid distribution, and less the equalization aid it received under this section in the year prior to that for which the aid is being calculated, (ii) .30, and (iii) one minus the ratio of the net tax capacity per capita to 900. The equalization aid increase under this section is limited to 12 percent of the total aid the city received under this section in the prior year. The aid under this section cannot be less than zero. For the purposes of this

subdivision, "levy" includes a city's levy on fiscal disparities distribution under section 473F.08, subdivision 3, paragraph (a).

If the amount ~~allocated under section 477A.03, subdivision 1,~~ appropriated is insufficient to pay the aid amounts calculated under this subdivision, the commissioner of revenue shall first proportionately reduce the equalization aid increase for each city so that the sum of the equalization aid amounts paid under this subdivision equals the amount ~~allocated in section 477A.03, subdivision 1~~ appropriated. If the equalization aid increase is reduced to zero and the amount ~~allocated under section 477A.03, subdivision 1,~~ appropriated is still insufficient to pay the aid amounts under this subdivision, the remaining amount of equalization aid for each city will be reduced proportionately so that the sum of the aid paid under this subdivision equals the amount ~~allocated in section 477A.03, subdivision 1~~ appropriated.

Sec. 10. Minnesota Statutes 1990, section 477A.015, is amended to read:

477A.015 [PAYMENT DATES.]

The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in two installments on July 20 and December ~~15~~ 26 annually.

The commissioner may pay all or part of the payment due ~~on~~ in December ~~15~~ at any time after August 15 upon the request of a city that requests such payment as being necessary for meeting its cash flow needs.

Sec. 11. Minnesota Statutes 1990, section 477A.12, is amended to read:

477A.12 [ANNUAL APPROPRIATIONS; LANDS ELIGIBLE; CERTIFICATION OF ACREAGE.]

There is annually appropriated to the commissioner of natural resources from the ~~general~~ local government trust fund for payment to counties within the state an amount equal to $3 multiplied by the number of acres of acquired natural resources land, 75 cents multiplied by the number of acres of county-administered other natural resources land, and 37.5 cents multiplied by the number of acres of commissioner-administered other natural resources land located in each county as of July 1 of each year. Lands for which payments in lieu are made pursuant to section 97A.061, subdivision 3, and Laws 1973, chapter 567, shall not be eligible for payments under this section. Each county auditor shall certify to the department of natural resources during July of each year the number of acres of county-administered other natural resources land within

the county. The department of natural resources may, in addition to the certification of acreage, require descriptive lists of land so certified. The commissioner of natural resources shall determine and certify the number of acres of acquired natural resources land and commissioner-administered natural resources land within each county.

Sec. 12. Minnesota Statutes 1990, section 477A.13, is amended to read:

477A.13 [TIME OF PAYMENT, DEDUCTIONS.]

Payments to the counties shall be made ~~from the general fund~~ during the month of July of the year next following certification. There shall be deducted from amounts paid any amounts paid to a county or township during the preceding year pursuant to sections 89.036, 97A.061, subdivisions 1 and 2, and 272.68, subdivision 3, with respect to the lands certified pursuant to section 477A.12.

Sec. 13. Laws 1991, chapter 291, article 2, section 3, is amended to read:

Sec. 3. [LOCAL GOVERNMENT TRUST FUND; FISCAL YEARS 1992 AND 1993 APPROPRIATIONS.]

Subdivision 1. [APPROPRIATIONS.] (a) The amounts necessary to make the following fiscal year 1992 ~~and 1993~~ payments are appropriated ~~to the commissioner of revenue~~ from the local government trust fund:

(1) homestead and agricultural credit aid to counties, cities, towns, and special taxing districts under Minnesota Statutes, section 273.1398;

(2) disparity reduction aid to counties, cities, towns, and special taxing districts under Minnesota Statutes, section 273.1398;

(3) local government aid and equalization aid under Minnesota Statutes, chapter 477A;

(4) additional homestead and agricultural credit guarantee under Minnesota Statutes, section 273.1398, subdivision 5;

(5) supplemental homestead property tax relief under Minnesota Statutes, section 273.1391;

(6) disparity reduction credit under Minnesota Statutes, section 273.1398, subdivision 4;

(7) 25 percent of the state aid for county human services under Minnesota Statutes, section 273.1398, subdivision 5a; and

(8) attached machinery aid to counties under Minnesota Statutes, section 273.138.

(b) The amounts necessary to make the following fiscal year 1993 payments are appropriated from the local government trust fund:

(1) to the commissioner of revenue to pay homestead and agricultural credit aid to counties, cities, towns, and special taxing districts under Minnesota Statutes, section 273.1398;

(2) to the commissioner of revenue to pay disparity reduction aid to counties, cities, towns, and special taxing districts under Minnesota Statutes, section 273.1398;

(3) to the commissioner of revenue to pay local government aid and equalization aid under Minnesota Statutes, chapter 477A;

(4) to the commissioner of revenue to pay transition credit under Minnesota Statutes, section 273.1398, subdivision 5;

(5) to the commissioner of revenue to pay supplemental homestead property tax relief under Minnesota Statutes, section 273.1391;

(6) to the commissioner of revenue to pay disparity reduction credit under Minnesota Statutes, section 273.1398, subdivision 4;

(7) to the commissioner of revenue to pay attached machinery aid to counties under Minnesota Statutes, section 273.138;

(8) $52,166,000 to the commissioner of human services for community social services aid under Minnesota Statutes, section 256E.06;

(9) to the commissioner of natural resources for natural resource land payments in lieu of taxes under Minnesota Statutes, sections 477A.11 to 477A.14;

(10) to the commissioner of finance for payments to counties for consolidated conservation areas under Minnesota Statutes, sections 84A.51 to 84A.54; and

(11) $2,483,375 to the secretary of state to make payments under Minnesota Statutes, section 207A.10.

(c) The following sums are appropriated for fiscal years 1992 and 1993 from the local government trust fund:

(1) $852,000 to the commissioner of revenue to administer the local option tax for fiscal year 1992, except any unused portion of the appropriation may be carried over to fiscal year 1993 and $660,000 for fiscal year 1993;

(2) to the commissioner of finance to administer the trust fund, $95,000 for fiscal year 1992 and $105,000 for fiscal year 1993; ~~and~~

(3) to the advisory commission on intergovernmental relations to pay nonlegislative members' per diem expenses, and such other expenses as the commission deems appropriate, $25,000 for fiscal year 1992 and $25,000 for fiscal year 1993; and

(4) to the intergovernmental information systems advisory council to begin development of a local government financial reporting system, $350,000 for fiscal year 1993.

Subd. 2. [CONTINGENT REDUCTIONS.] If the commissioner of finance, in consultation with the commissioner of revenue, estimates that the receipts of the local government trust fund will be insufficient to pay the appropriations under subdivision 1, ~~the~~ all appropriations ~~under paragraph (a), clauses (5), (6), (7), and (8), and paragraph (b)~~ must be paid in full ~~and the~~ except for appropriations under paragraphs (a) and (b), clauses (1) to (4), which must be reduced as provided by Minnesota Statutes, chapter 477A.

Sec. 14. [LOCAL GOVERNMENT TRUST FUND; FISCAL YEARS 1994 AND 1995 APPROPRIATIONS.]

Subdivision 1. [INTERGOVERNMENTAL AID APPROPRIATIONS.] The amounts necessary to make the following fiscal year 1994 and 1995 payments are appropriated from the local government trust fund:

(1) to the commissioner of revenue to pay homestead and agricultural credit aid to counties, cities, towns, and special taxing districts under Minnesota Statutes, section 273.1398;

(2) to the commissioner of revenue to pay disparity reduction aid to counties, cities, towns, and special taxing districts under Minnesota Statutes, section 273.1398;

(3) to the commissioner of revenue to pay transition credit under Minnesota Statutes, section 273.1398, subdivision 5;

(4) to the commissioner of revenue to pay supplemental homestead property tax relief under Minnesota Statutes, section 273.1391;

(5) to the commissioner of revenue to pay disparity reduction credit under Minnesota Statutes, section 273.1398, subdivision 4;

(6) to the commissioner of revenue to pay attached machinery aid to counties under Minnesota Statutes, section 273.138;

(7) to the commissioner of revenue to pay property tax refunds for homeowners under Minnesota Statutes, section 290A.04, subdivision 2;

(8) to the commissioner of natural resources for natural resource land payments in lieu of taxes under Minnesota Statutes, sections 477A.11 to 477A.14;

(9) to the commissioner of finance for payments to counties for consolidated conservation areas under Minnesota Statutes, sections 84A.51 to 84A.54;

(10) to the commissioner of revenue to pay nonschool manufactured home homestead and agricultural credit aid under Minnesota Statutes, section 274.20;

(11) to the commissioner of revenue to pay 104 percent of calendar year 1992 local government aid payment amounts under Minnesota Statutes, chapter 477A, if the advisory commission on intergovernmental relations makes no recommendations to the legislature for alternative local government aid formulas or programs, or the legislature fails to enact a recommendation of the commission;

(12) $20,265,000 to the commissioner of revenue for equalization aid under Minnesota Statutes, section 477A.013, subdivision 5; and

(13) $54,253,000 to the commissioner of human services for community social services aids under Minnesota Statutes, section 256E.06.

No payments shall be made from the local government trust fund to the general fund for county aid reductions under Minnesota Statutes 1990, section 477A.012, subdivision 3 or 4.

Subd. 2. [ADMINISTRATIVE APPROPRIATIONS.] The following amounts are appropriated from the local government trust fund for each of fiscal years 1994 and 1995:

(1) $660,000 to the commissioner of revenue to administer the local option tax;

(2) $105,000 to the commissioner of finance to administer the trust fund;

(3) $25,000 to the advisory commission on intergovernmental relations to pay nonlegislative members' per diem expenses and such other expenses as the commission deems appropriate; and

(4) $1,200,000 to the intergovernmental information systems advisory council to develop a local governmental financial reporting system.

Subd. 3. [CONTINGENT ADJUSTMENTS.] The commissioner of finance, in consultation with the commissioner of revenue, shall estimate both the receipts of the local government trust fund and the appropriations under subdivisions 1 and 2 for the biennium. The commissioner of finance shall make adjustments in the fiscal year 1995 appropriations under subdivision 1, clauses (11), (12), and (13) to increase or reduce the total appropriations to equal the total revenues of the fund. The adjustment percentage shall be the same for each program. For the intergovernmental aid programs in subdivision 1, clauses (12) and (13), the total appropriation amount will be adjusted. For intergovernmental aids under subdivision 1, clause (11), the adjustment shall be in equal proportions to all recipient jurisdictions.

Sec. 15. [AID ADJUSTMENT.]

The amount by which any county's homestead and agricultural credit aid offset exceeded its actual public defender levy for 1991 shall be permanently added back to the county's homestead and agricultural credit aid base for aids paid in 1993.

Sec. 16. [APPROPRIATION CANCELLATION.]

Any fiscal year 1993 appropriations from the general fund enacted prior to enactment of this act to pay community social services aids under Minnesota Statutes, section 256E.06, natural resource land in-lieu payments under Minnesota Statutes, sections 477A.11 to 477A.14, and consolidated conservation land payments under Minnesota Statutes, sections 84A.51 to 84A.54, are canceled.

Sec. 17. [CITY OF ALDEN; LOCAL GOVERNMENT AID.]

For aid payments in 1992, local government aid to the city of Alden, Freeborn county, as determined under Minnesota Statutes, section 477A.013, is increased by $838. This amount is a permanent increase for aid payments in 1993 and thereafter. The increase reimburses the city for state aid decreases attributable to an error in the city's 1990 levy, payable in 1991.

If local government aid provisions are enacted in 1992 or thereafter which do not use the city's 1990 levy as a base year to determine local government aid, this section does not apply to those aids.

The commissioner of revenue shall pay the local government aid under this section from the amounts appropriated to the commissioner by law from the local government trust fund for payment of

local government aid. For purposes of any proportional increases or decreases in local government aid under Minnesota Statutes, section 16A.711 or 477A.014, due to the amount of funds in the local government trust fund, payments under this section must be included in local government aid payable to the city of Alden.

Sec. 18. [APPROPRIATION.]

The sum of $9,400,000 for calendar year 1993 and $9,400,000 for calendar year 1994 is appropriated from the general fund to the commissioner of revenue to make payments under Minnesota Statutes, section 477A.0121.

Sec. 19. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 477A.03, subdivision 1, is repealed.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 and 7 are effective July 1, 1993.

Sections 2 to 5, 10 to 12, 13, 14, and 16 are effective July 1, 1992.

Sections 6, 8, 9, 15, 18, and 19 are effective January 1, 1993.

Section 17 is effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Alden.

ARTICLE 2

PROPERTY TAXES

Section 1. Minnesota Statutes 1991 Supplement, section 47.209, is amended to read:

47.209 [MANUFACTURED HOME FINANCING; PROPERTY TAX ~~ESCROW~~ COLLECTION REQUIREMENT.]

Subdivision 1. [APPLICABILITY.] This section applies to any agreement entered into after December 31, ~~1991~~ 1992, for the financing or refinancing of a purchase of a manufactured home ~~shall require that the lender maintain an escrow account for deposit of payments for property taxes payable on the manufactured home, and that the borrower make the required payments~~. As used in this section and section 277.17, "lender" includes a state bank and trust company, national banking association, state or federally chartered savings and loan association, mortgage bank, mutual savings bank,

insurance company, credit union, or a dealer as defined in section 327B.01, subdivision 7, ~~who~~ that enters into an agreement for financing or refinancing a purchase of a manufactured home.

Subd. 2. [CONDITION OF FINANCING AGREEMENT.] Each agreement must contain a statement that it is a condition of the agreement that the borrower must agree to pay all taxes on the manufactured home when due.

Subd. 3. [COLLECTION OF DELINQUENT TAXES.] Within 30 days of receipt of a demand for payment from a county under section 277.17, the lender must notify the mortgagor that the tax must be paid in full no later than 60 days from the date of issuance of the notice. The notice must inform the mortgagor that if the tax is not paid by that date, the lender will pay the delinquent tax, together with any penalty and interest then due, in full to the county and add the amount of tax paid to the debt under the agreement. The notice may inform the mortgagor of the lender's option to begin foreclosure proceedings. The county may only require payment and collection of taxes that have been delinquent for no longer than one year under this section. The county must notify the lender if the owner of the manufactured home pays the delinquent taxes at any time during the 60 days after the notice has been issued.

Sec. 2. Minnesota Statutes 1990, section 124.2131, subdivision 1, is amended to read:

Subdivision 1. [ADJUSTED GROSS TAX CAPACITY.] (a) [COMPUTATION.] The department of revenue shall annually conduct an assessment/sales ratio study of the taxable property in each school district in accordance with the procedures in paragraphs (b) and (c). Based upon the results of this assessment/sales ratio study, the department of revenue shall determine an aggregate equalized gross tax capacity and an aggregate equalized net tax capacity for the various classes of taxable property in each school district, which tax capacity shall be designated as the adjusted gross tax capacity and the adjusted net tax capacity, respectively. The department of revenue may incur the expense necessary to make the determinations. The commissioner of revenue may reimburse any county or governmental official for requested services performed in ascertaining the adjusted gross tax capacity and the adjusted net tax capacity. On or before March 15 annually, the department of revenue shall file with the chair of the tax committee of the house of representatives and the chair of the committee on taxes and tax laws of the senate a report of adjusted gross tax capacities and adjusted net tax capacities. On or before April 15 annually, the department of revenue shall file its final report on the adjusted gross tax capacities and adjusted net tax capacities established by the previous year's assessment with the commissioner of education and each county auditor for those school districts for which the auditor has the responsibility for determination of local tax rates. A copy of the report so filed shall be

mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which each district is located.

(b) [METHODOLOGY.] In making its annual assessment/sales ratio studies, the department of revenue shall use a methodology consistent with the most recent Standard on Assessment Ratio Studies published by the assessment standards committee of the International Association of Assessing Officers. The commissioner of revenue shall supplement this general methodology with specific procedures necessary for execution of the study in accordance with other Minnesota laws impacting the assessment/sales ratio study. The commissioner shall document these specific procedures in writing and shall publish the procedures in the State Register, but these procedures will not be considered "rules" pursuant to the Minnesota administrative procedure act.

(c) [AGRICULTURAL LANDS.] For purposes of determining the adjusted gross tax capacity and adjusted net tax capacity of agricultural lands for the calculation of adjusted gross tax capacities and adjusted net tax capacities, the market value of agricultural lands shall be the price for which the property would sell in an arms length transaction.

(d) [FORCED SALES.] The commissioner may include forced sales in the assessment/sales ratio studies if it is determined by the commissioner that these forced sales indicate true market value.

Sec. 3. [216B.445] [MUNICIPAL ANNEXATION; PURCHASE OF EXISTING UTILITY FACILITIES.]

When a municipality annexes an area, under chapter 414, that receives electric service from a public utility or a cooperative electric association and acquires facilities of the utility or cooperative association as a result of the annexation, the municipality shall assess the costs of acquiring the facilities on all the ratepayers to whom the municipality provides electric service, including the ratepayers in the annexed area. Assessment for facilities acquired through annexation must be apportioned equally within each class of ratepayers and proportionally between classes of ratepayers. Ratepayers in an annexed area may not be classified separately from other ratepayers who receive electric service from the municipality for the purposes of this section.

Sec. 4. Minnesota Statutes 1990, section 271.06, subdivision 7, is amended to read:

Subd. 7. [RULES.] (a) The rules of evidence and civil procedure for the district court of Minnesota shall govern the procedures in the tax court, where practicable. The tax court may adopt rules under

chapter 14. The rules in effect on January 1, 1989, apply until superseded.

(b) Notwithstanding paragraph (a), information, including income and expense figures, verified net rentable areas, and anticipated income and expenses, for income-producing property which is not provided to the county assessor at least 45 days before any hearing under this chapter, is not admissible except if necessary to prevent undue hardship or when the failure to provide it was due to the unavailability of the evidence at that time.

(c) Notwithstanding paragraph (a) and provided that the information as contained in paragraph (b) is timely submitted to the county assessor, the county assessor shall furnish the petitioner at least five days before the hearing under this chapter with the property's appraisal, if any, which will be presented to the court at the hearing. The petitioner shall furnish to the county assessor at least five days before the hearing under this chapter with the property's appraisal, if any, which will be presented to the court at the hearing. An appraisal of the petitioner's property done by or for the county or by or for the petitioner shall not be admissible as evidence if the provisions within this paragraph are not met.

Sec. 5. Minnesota Statutes 1991 Supplement, section 271.21, subdivision 6, is amended to read:

Subd. 6. ~~(a)~~ The hearing in the small claims division shall be informal and without a jury. The judge may hear any testimony and receive any evidence the judge deems necessary or desirable for a just determination of the case except as provided in paragraph (b). Sales ratio studies published by the department of revenue may be admissible as a public record without foundation. All testimony shall be given under oath. A party may appear personally or may be represented or accompanied by an attorney. No transcript of the proceedings shall be kept.

~~(b) Information, including income and expense figures, verified net rentable areas, and anticipated income and expenses, for income-producing property which is not provided to the county assessor at least 30 days before any hearing under this chapter, is not admissible except if necessary to prevent undue hardship or when the failure to provide it was due to the unavailability of the evidence at that time.~~

Sec. 6. Minnesota Statutes 1991 Supplement, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

(1) all public burying grounds;

(2) all public schoolhouses;

(3) all public hospitals;

(4) all academies, colleges, and universities, and all seminaries of learning;

(5) all churches, church property, and houses of worship;

(6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clauses (1), (2), and (3), or paragraph (d);

(7) all public property exclusively used for any public purpose;

(8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures, including storage sheds, decks, and similar removable improvements constructed on the site of a park trailer or travel trailer as provided in section 274.19, subdivision 8, paragraph (f); and

(f) flight property as defined in section 270.071.

(9) Personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, and real property which is used primarily for abatement and control of air, water, or land pollution as part of an agricultural operation, as a part of a centralized treatment and recovery facility operating under a permit issued by the Minnesota pollution control agency pursuant to chapters 115 and 116 and Minnesota Rules, parts 7001.0500 to 7001.0730, and 7045.0020 to 7045.1260, as a wastewater treatment facility and for the treatment, recovery, and stabilization of metals, oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes, or as part of an electric generation system. For purposes of this clause, personal property includes ponderous machinery and equipment used in a business or production activity that at common law is considered real property.

Any taxpayer requesting exemption of all or a portion of any real property or any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means: (i) land described in section 103G.005, subdivision 18; (ii) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice; or (iii) land in a wetland preservation area under sections 103F.612 to 103F.616. "Wetlands" under items (i) and (ii) include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands, but do not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing

purposes shall not be considered native prairie for the purposes of this clause. Upon receipt of an application for the exemption provided in this clause for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 103G.535.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by clause (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to ~~parents and children who are receiving AFDC or parents of children who are temporarily in foster care~~ individuals, couples, or families. (ii) It has the purpose of reuniting families and enabling parents or individuals to obtain self-sufficiency, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least ~~six~~ three months but no longer than ~~three~~ two years, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) ~~It is sponsored by an organization that has received a grant under either section 256.7365 for the biennium ending June 30, 1989, or section 462A.07, subdivision 15, for the biennium ending June 30, 1991, for the purposes of providing the services in items (i) to (iv).~~ ~~(vi)~~ It is ~~sponsored by an organization that is~~ owned and operated or

under lease from a unit of government or governmental agency under a property disposition program and operated by one or more organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

(20) Real and personal property, including leasehold or other personal property interests, owned and operated by a corporation if more than 50 percent of the total voting power of the stock of the corporation is owned collectively by: (i) the board of regents of the University of Minnesota, (ii) the University of Minnesota Foundation, an organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and (iii) a corporation organized under chapter 317A, which by its articles of incorporation is prohibited from providing pecuniary gain to any person or entity other than the regents of the University of Minnesota; which property is used primarily to manage or provide goods, services, or facilities utilizing or relating to large-scale advanced scientific computing resources to the regents of the University of Minnesota and others.

(21) Wind energy conversion systems, as defined in section 216C.06, subdivision 12, installed after January 1, 1991, and used as an electric power source.

(22) Containment tanks, cache basins, and that portion of the structure needed for the containment facility used to confine agricultural chemicals as defined in section 18D.01, subdivision 3, as required by the commissioner of agriculture under chapter 18B or 18C.

Sec. 7. Minnesota Statutes 1990, section 272.02, is amended by adding a subdivision to read:

Subd. 7a. [METAL DISTILLATION RECYCLING FACILITIES.] Real and personal property used to distill or recover heavy metals for reuse or recycling from a solution containing the heavy metals is exempt from taxation.

Sec. 8. Minnesota Statutes 1990, section 272.115, is amended to read:

272.115 [CERTIFICATE OF VALUE; FILING.]

Subdivision 1. Except as provided in subdivision 1a, whenever any real estate is sold ~~on or after January 1, 1978,~~ for a consideration in excess of $1,000, whether by warranty deed, quitclaim deed, contract for deed or any other method of sale, the grantor, grantee or the legal agent of either shall file a certificate of value with the county auditor in the county in which the property is located within 30 days of the sale. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration thereof, paid or to be paid, including the amount of any lien or liens assumed. The certificate of value shall include the classification to which the property belongs for the purpose of determining the fair market value of the property. The certificate shall include financing terms and conditions of the sale which are necessary to determine the actual, present value of the sale price for purposes of the sales ratio study. The commissioner of revenue shall promulgate administrative rules specifying the financing terms and conditions which must be included on the certificate.

Subd. 1a. Whenever any real estate, a portion or all of which is classified as homestead under chapter 273 is sold or transferred on or after January 1, 1993, whether by warranty deed, quitclaim deed, contract for deed, or any other method of sale or transfer, the grantor, grantee, or the legal agent of either shall file a certificate of value with the county auditor in the county in which the property is located within 30 days of the sale or transfer. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration thereof, paid or to be paid, including the amount of any lien or liens assumed. The certificate of value shall include the current classification of the property for the purpose of determining the fair market value of the property, and the use and likely classification to which the property will be used after the sale or transfer. The certificate shall include financing terms and conditions of the sale which are necessary to determine the actual, present value of the sale price for purposes of the sales ratio study and its eligibility for homestead classification under chapter 273. The certificate shall also include the social security number of both the grantor and the grantee. The commissioner of revenue shall adopt administrative rules specifying the financing terms and conditions which must be included on the certificate.

Subd. 2. The certificate of value shall require such facts and information as may be determined by the commissioner to be reasonably necessary in the administration of the state education aid formulas and the eligibility of a property's classification as homestead under chapter 273. The form of the certificate of value shall be prescribed by the department of revenue ~~which~~. A different form may be prescribed for property under subdivision 1 and for property under subdivision 1a. The commissioner shall provide an adequate supply of forms to each county auditor.

Subd. 3. The county auditor shall transmit two true copies of the

certificate of value to the assessor who shall insert the most recent market value and when available, the year of original construction of each parcel of property on both copies and shall transmit one copy to the department of revenue. Upon the request of a city council located within the county, a copy of each certificate of value for property located in that city shall be made available to the governing body of the city. The assessor shall remove the homestead classification for the following assessment year from a property which is sold or transferred, unless the grantee or the person to whom the property is transferred completes a homestead application under section 273.124, subdivision 13, and qualifies for homestead.

Subd. 4. No real estate sold or transferred on or after January 1, ~~1978, for which a certificate of value is required pursuant to~~ 1993, under subdivision ~~1~~ 1a shall be classified as a homestead, unless a certificate of value has been filed with the county auditor in accordance with this section.

This subdivision shall apply to any real estate taxes that are payable the year or years following the sale or transfer of the property.

Sec. 9. Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6, 8, 9, ~~and~~ 11, 12, and 13 or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under $100 is rounded up to $100 and any amount exceeding $100 shall be rounded to the nearest $100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall the assessor adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but the assessor shall value each article or description of property by itself, and at such sum or price as the assessor believes the same to be fairly worth in money. The assessor shall take into account the effect on the market value of property of environmental factors in the vicinity of the property. The assessor shall not take into account any increased market value for improvements from conversion or replacement of an existing groundwater based once-through cooling system as required under section 103G.271, subdivision 5. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or

quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall be taken into account. An individual lot of such platted property shall be assessed at its market value beginning with the first assessment following final approval of the plat. All property, or the use thereof, which is taxable under section 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 10. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

Subd. 12. [NEIGHBORHOOD LAND TRUSTS.] (a) A neighborhood land trust, as defined under chapter 462A, is (i) a community-based nonprofit corporation organized under chapter 317A, which qualifies for tax exempt status under 501(c)(3), or (ii) a home rule charter or statutory city, a county, a housing and redevelopment authority, or an economic development authority which has received funding from the Minnesota housing finance agency for purposes of the neighborhood land trust program. The Minnesota housing finance agency shall set the criteria for neighborhood land trusts.

(b) All occupants of a neighborhood land trust building must have a family income of less than 80 percent of the greater of (1) the state median income, or (2) the area or county median income, as most recently determined by the department of housing and urban development. Before the neighborhood land trust can rent or sell a unit to an applicant, the neighborhood land trust shall request the commissioner of revenue to verify that the family incomes of each person or family applying for a unit in the neighborhood land trust building is within the income criteria provided in this paragraph. The neighborhood land trust shall furnish a list of the applicant's social security numbers. The property tax benefits under paragraphs (c) and (d) shall be granted only to property owned or rented by persons or families within the qualifying income limits. The family income criteria and verification is only necessary at the time of initial occupancy in the property.

(c) On or before December 1, 1992, and each year thereafter, the city in the case of a city owned land trust, or the Minnesota housing finance agency shall certify by property identification number to the county assessor of each county, the current year's limited equity price of each qualifying structure owned by the neighborhood land trust and located within the county. The land owned by a qualifying nonprofit corporation as a land trust shall be valued by the assessor at its fair market value as defined under this section. The assessor shall use a limited equity price valuation only on those buildings approved by the Minnesota housing finance agency as neighborhood land trusts. For purposes of this section, "limited equity price" shall be as defined in section 462A.30, subdivision 7. The limited equity

price or its fair market value as defined under this section, whichever is less, shall be the structure's estimated market value for purposes of determining property taxes under this chapter.

(d) A unit which is owned by the occupant and used as a homestead by the occupant qualifies for homestead treatment as class 1a under section 273.13, subdivision 22. A unit which is rented by the occupant and used as a homestead by the occupant shall be class 4a or 4b property, under section 273.13, subdivision 25, whichever is applicable. Any remaining portion of the property not used for residential purposes shall be classified by the assessor in the appropriate class based upon the use of that portion of the property owned by the neighborhood land trust. The land upon which the building is located shall be assessed at the same class rate as the units within the building, provided that if the building contains some units assessed as class 1a and some units assessed as class 4a or 4b, the market value of the land will be assessed in the same proportions as the value of the building.

(e) The rent charged by the neighborhood land trust to the lessee of a unit granted class 4a or 4b status must reflect the benefits granted to that unit under paragraph (c).

(f) The county treasurer shall prepare a separate property tax statement under section 276.04 for each owner-occupied unit in the neighborhood land trust and mail the statement directly to the owner of that unit. The tax on each unit shall be determined by reflecting the value of each individual unit and the appropriate property classification status of each unit. If the property tax on an owner-occupied unit is not paid, the delinquent property taxes will be assessed to the neighborhood land trust and, if not subsequently paid, will be a lien on the structure. The county treasurer shall also prepare a single property tax statement for the rental units in the neighborhood land trust and, in the case of land owned by a nonprofit corporation, the tax on the land. A total listing of all units in the building itemizing the amount of property taxes relating to each unit in the building and the land owned by a neighborhood land trust shall be prepared by the county treasurer and furnished to the neighborhood land trust.

Sec. 11. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

Subd. 13. [VALUATION OF INCOME-PRODUCING PROPERTY.] Beginning with the 1995 assessment, only accredited assessors or senior accredited assessors may value income-producing property for ad valorem tax purposes. "Income-producing property" as used in this subdivision means the taxable property in class 3a and 3b in section 273.13, subdivision 24; class 4a and 4c, except for seasonal recreational property not used for commercial purposes,

and class 4d in section 273.13, subdivision 25; and class 5 in section 273.13, subdivision 31.

Sec. 12. Minnesota Statutes 1991 Supplement, section 273.124, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] (a) Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead.

Agricultural land, as defined in section 273.13, subdivision 23, that is occupied and used as a homestead by its owner, who must be a Minnesota resident, is an agricultural homestead.

Dates for establishment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

The assessor shall require proof, ~~by affidavit or otherwise~~ as provided in subdivision 13, of the facts upon which classification as a homestead may be determined.

(b) For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

(c) ~~In the case of property owned by a married couple in joint tenancy or tenancy in common, the assessor must not deny homestead treatment in whole or in part if only one of the spouses is occupying the property and the other spouse is absent due to divorce or separation, or is a resident of a nursing home or a boarding care facility.~~

~~(d) If an individual is purchasing property with the intent of claiming it as a homestead, and is required by the terms of the financing agreement to have a relative shown on the deed as a coowner, the assessor shall allow a full homestead classification.~~ In applying the homestead ownership requirement, an individual who occupies the property and who is a relative of an owner is considered the owner of the relative's interest. For purposes of this paragraph, "relative" means a parent, stepparent, child, stepchild, spouse,

grandparent, grandchild, brother, sister, uncle, or aunt. This relationship may be by blood or marriage. If the property is classified as seasonal recreational residential property at the time treatment under this paragraph would apply, the property continues to be classified as seasonal recreational residential property and does not quality as a homestead under this paragraph until the first assessment date occurring after the relative of the owner has continuously occupied the property for a period of two years.

~~(c) In the case of property owned and formerly occupied by two or more persons in joint tenancy or tenancy in common, when those persons are related to each other as parents and children or as stepparents and stepchildren, and when one or more of the owners ceases to occupy the property, the assessor shall continue to allow a full homestead classification as long as at least one of the owners continues to occupy the property for purposes of a homestead. This paragraph applies only to single family residential property.~~

Sec. 13. Minnesota Statutes 1991 Supplement, section 273.124, subdivision 6, is amended to read:

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

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

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

(c) to the extent permitted under state or federal law, the cooperative association must have a right under a written agreement with the owner to purchase the property if the owner proposes to sell it; if

the cooperative association does not purchase the property it is offered for sale, the owner may not subsequently sell the property to another purchaser at a price lower than the price at which it was offered for sale to the cooperative association unless the cooperative association approves the sale;

(d) the cooperative must meet one of the following criteria with respect to the income of its members: (1) a minimum of 75 percent of members must have incomes at or less than 80 percent of area median income, (2) a minimum of 40 percent of members must have incomes at or less than 60 percent of area median income, or (3) a minimum of 20 percent of members must have incomes at or less than 50 percent of area median income. For purposes of this clause, "member income" means the income of a member existing at the time the member acquires cooperative membership, and "median income" means the St. Paul-Minneapolis metropolitan area median income as determined by the United States Department of Housing and Urban Development;

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

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

(g) if a dwelling unit of a building was occupied on the 60th day prior to the date on which the unit became leasehold cooperative property described in this subdivision, the notice described in paragraph (f) must have been sent by first class mail to the occupant of the unit at least 60 days prior to the date on which the unit became leasehold cooperative property. For purposes of the notice under this paragraph, the copies of the documents referred to in paragraph (f) may be in proposed version, provided that any subsequent material alteration of those documents made after the occu-

pant has requested a copy shall be disclosed to any occupant who has requested a copy of the document. Copies of the articles of incorporation and certificate of limited partnership shall be filed with the secretary of state after the expiration of the 60-day period unless the change to leasehold cooperative status does not proceed; ~~and~~

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

(i) in the case of property that is classified as nonhomestead residential property under section 273.13 at the time when the cooperative association claims reclassification of the property as a leasehold cooperative, the governing body of the municipality in which the property is located must make a finding that the reclassification will not substantially impair the ability of the municipality or any agency of the municipality to meet its debt service obligations on any bonds or other debt outstanding at the time of the request for reclassification.

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

Sec. 14. Minnesota Statutes 1991 Supplement, section 273.124, subdivision 9, is amended to read:

Subd. 9. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead by June 1 of a year, constitutes class 1 or class 2a.

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor ~~pursuant to~~ under section 273.063, in writing, prior to June 15 of the year of occupancy in order to qualify under this subdivision. The assessor must not deny full homestead treatment to a property that is partially homesteaded on January 2 but occupied for the purpose of a full homestead by June 1 of a year.

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

The owner of any property qualifying under this subdivision,

which has not been accorded the benefits of this subdivision, ~~regardless of whether or not the notification has been timely filed,~~ may be entitled to receive homestead classification by proper application as provided in section ~~270.07 or~~ 375.192 provided that a request is made by the owner of the property to the county assessor of the county in which the property is located by December 15. If homestead classification has not been requested as of December 15, the assessor will classify the property as nonhomestead for the current assessment year for taxes payable in the following year.

The county assessor shall publish in a newspaper of general circulation within the county no later than June 1 of each year a notice informing the public of the requirement to file an application for homestead prior to June 15.

Sec. 15. Minnesota Statutes 1991 Supplement, section 273.124, subdivision 13, is amended to read:

Subd. 13. [~~SOCIAL SECURITY NUMBER REQUIRED FOR~~ HOMESTEAD APPLICATION.] On or before January 2, 1993, each county assessor shall mail a homestead application to the owner of each parcel of property within the county which was classified as homestead for the 1992 assessment year. The format and contents of a uniform homestead application shall be prescribed by the commissioner of revenue. The commissioner shall consult with the chairs of the house and senate tax committees on the contents of the homestead application form. The application must clearly inform the taxpayer that this application must be signed by all owners of the property and returned to the county assessor in order for the property to continue receiving homestead treatment. The envelope containing the homestead application shall clearly identify its contents and alert the taxpayer of its necessary immediate response.

Every property owner applying for homestead classification must furnish to the county assessor ~~that owner's~~ the social security number of each person who is listed as an owner of the property listed on the homestead application. If the social security number is not provided, the county assessor shall classify the property as nonhomestead. The social security numbers of the property owners are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue.

If residential real estate is occupied and used for purposes of a homestead by a relative of the owner and qualifies for a homestead under section 273.124, subdivision 1, paragraph (c), in order for the property to receive homestead status, the social security number of the relative occupying the property and the social security number of each owner of the property shall be required on the homestead application filed under this subdivision. If a different relative of the

owner subsequently occupies the property, the owner of the property must notify the assessor within 30 days of the change in occupancy.

The homestead application shall also notify the property owners that the application filed under this section will not be mailed annually and that if the property is granted homestead status for the 1993 assessment, that same property shall remain classified as homestead until the property is sold or transferred to another person, or the owners or the relatives no longer use the property as their homestead. Upon the sale or transfer of the homestead property, a certificate of value must be timely filed with the county auditor as provided under section 272.115. Failure to notify the county within 30 days that the property has been sold, transferred, or that the owner or the relative is no longer occupying the property as a homestead, shall result in the penalty provided under this subdivision and the property will lose its current homestead status.

If the initial homestead application is not returned within 30 days, the county will send a second application to the present owners of record. The notice of proposed property taxes prepared under section 275.065, subdivision 3, shall reflect the property's classification. If a homestead application has not been filed with the county by December 15, the property will be classified as nonhomestead for the current assessment year for taxes payable in the following year.

At the request of the commissioner, each county must give the commissioner a list that includes the name and social security number of each property owner applying for homestead classification under this subdivision.

If, in comparing the lists supplied by the counties, the commissioner finds that a property owner is claiming more than one homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, the taconite homestead credit under section 273.135, and the supplemental homestead credit under section 273.1391. The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead benefits plus a penalty equal to ~~50~~ 100 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall

certify the amount of taxes and penalty to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead benefits recovered by the county from the property owner ~~must be transmitted to the commissioner by the end of each calendar quarter~~ shall be distributed to the county, city or town, and school district where the property is located in the same proportion that each taxing district's levy was to the total of the three taxing districts' levy for the current year. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The total amount of penalty collected must be deposited in the county general fund.

~~The commissioner will provide suggested homestead applications to each county.~~ If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 16. Minnesota Statutes 1991 Supplement, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first $72,000 of market value of class 1a property has a net class rate of one percent of its market value and a gross class rate of 2.17 percent of its market value. For taxes payable in 1992, the market value of class 1a property that exceeds $72,000 but does not exceed $115,000 has a class rate of two percent of its market value; and the market value of class 1a property that exceeds $115,000 has a class rate of 2.5 percent of its market value. For taxes payable in 1993 and thereafter, the market value of class 1a property that exceeds $72,000 has a class rate of two percent.

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or

(4) any person who is permanently and totally disabled and whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

Property is classified and assessed under clause (4) only if the government agency or income-providing source certifies, upon the request of the property owner, that the property owner satisfies the disability requirements of this subdivision.

Property is classified and assessed pursuant to clause (1) only if the commissioner of jobs and training certifies to the assessor that the owner of the property satisfies the requirements of this subdivision.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first $32,000 market value of class 1b property has a net class rate of .45 percent of its market value and a gross class rate of .87 percent of its market value. The remaining market value of class 1b property has a gross or net class rate using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than ~~225~~ 250 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, which includes a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort or a partner in a partnership that owns the resort, even if the title to the homestead is held by the corporation or partnership. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property, excluding the portion used exclusively as a homestead, is used ~~or available for use~~ for residential occupancy and a fee is charged for residential occupancy. Class 1c property has a class rate of ~~.8 percent of the first $32,000 of market value and one percent of market value in excess of $32,000 for taxes payable in 1992, and~~ one percent of total market value ~~for taxes payable in 1993 and thereafter~~, with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore. The remainder of class 1c has a class rate of 2.3 percent of market value.

Class 1c also includes any commercial use real property used exclusively for recreational purposes in conjunction with class 1c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 250 days in the year preceding the year of assessment and is located within two miles of the class 1c property with which it is used.

For property to qualify as class 1c, on or before January 15, the owner of the resort property must annually submit a written certification to the county assessor of the county in which the resort property is located. The certification must verify that all of the residential units were used in the previous calendar year for less than 250 days. At the assessor's request, the property owner's

records must be made available to the assessor for purposes of auditing and verifying the information contained on the property owner's certification.

(d) Class 1d is commercial use real property that abuts a lakeshore line, a portion or all of which was used for more than 250 days in the year preceding the year of assessment as a commercial resort, and that includes a portion of the property used as a homestead. The homestead portion of the property must be occupied by the owner or include a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort or a partner in a partnership that owns the resort, even if the title to the homestead is held by the corporation or partnership.

For purposes of paragraph (c) and this paragraph, and subdivision 24, paragraph (c), "resort" has the meaning defined in section 157.01, subdivision 1. To qualify as a resort, the property must be licensed as a resort as of the current assessment date under chapter 157 and the property must either (i) have been licensed to do business as a resort under chapter 157 on December 31, 1991, and a portion or all of the property was classified as seasonal residential recreational property for the January 1991 assessment, or (ii) if the initial license to do business as a resort is granted to the property under chapter 157 after December 31, 1991, the property must be located in an unincorporated area and on, or neighboring, a lake, stream, or river. If the initial license was granted to the property under chapter 157 prior to December 31, 1991, and the property subsequently sold, the property continues to qualify as a resort provided that the use of the property has not changed. A "recreational camping area" as defined in section 327.14 and licensed under section 327.15 as a recreational camping area is included in the definition of resort.

Class 1d shall be valued and assessed according to the following class rates:

(1) one percent of the market value of land up to a maximum of 800 feet and 500 feet in depth, measured away from the lakeshore, including the residential structures on that area of land, provided that the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property, except that if any of those residential structures were used in the previous assessment year for more than 250 days, 32 percent of the market value of those residential structures and a proportionate share of land shall be assessed using the lowest class rate for class 3a property;

(2) except as provided in clause (1), 32 percent of the market value of all residential structures and a proportionate share of land used in the previous assessment year for more than 250 days shall be assessed using the lowest class rate for class 3a property, and the

remaining 68 percent of the market value of the residential structures and a proportionate share of land used in the previous assessment year for more than 250 days shall be assessed at 2.3 percent; and

(3) 2.3 percent of the market value of: (i) the residential structures used in the previous assessment year for less than 250 days other than the value of the residential structures assessed under clause (1); (ii) the land, excluding that portion of land contained in clauses (1) and (2); and (iii) the commercial use real property used exclusively for recreational purposes in conjunction with the class 1d property, provided that it is located within two miles of the class 1d residential property with which it is used.

For property to qualify as class 1d, on or before January 15, the owner of the resort property must annually submit a written certification to the county assessor of the county in which the resort property is located. The certification must identify the number of residential units and the specific units which were used in the previous calendar year for more than 250 days. The commissioner of revenue shall design the necessary form. The form may require whatever information from the property owner that the commissioner determines is necessary for its administration. The form is exempt from the administrative procedures under chapter 14. At the assessor's request, the property owner's records must be made available to the assessor for purposes of auditing and verifying the information contained on the property owner's certification.

Sec. 17. Minnesota Statutes 1990, section 273.13, subdivision 24, is amended to read:

Subd. 24. [CLASS 3.] (a) Commercial and industrial property and utility real and personal property, except class 5 property as identified in subdivision 31, clause (1), is class 3a. It has a class rate of 3.3 percent of the first $100,000 of market value for taxes payable in 1990, 3.2 percent for taxes payable in 1991, 3.1 percent for taxes payable in 1992, and three percent for taxes payable in 1993 and thereafter, and 5.06 percent of the market value over $100,000. In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only one parcel has a reduced class rate on the first $100,000 of market value. In the case of other commercial, industrial, and utility property owned by one person or entity, only one parcel in each county has a reduced class rate on the first $100,000 of market value.

(b) Employment property defined in section 469.166, during the period provided in section 469.170, shall constitute class 3b and has a class rate of 2.3 percent of the first $50,000 of market value and 3.6 percent of the remainder, except that for employment property located in a border city enterprise zone designated pursuant to section 469.168, subdivision 4, paragraph (c), the class rate of the

first $100,000 of market value and the class rate of the remainder is determined under paragraph (a), unless the governing body of the city designated as an enterprise zone determines that a specific parcel shall be assessed pursuant to the first clause of this sentence. The governing body may provide for assessment under the first clause of the preceding sentence only for property which is located in an area which has been designated by the governing body for the receipt of tax reductions authorized by section 469.171, subdivision 1.

(c) Class 3c is commercial use real property that is used as a commercial resort, other than resort property classified as class 1c or 1d. For purposes of this paragraph, the definition and the qualifications of "resort" property are the same as provided in subdivision 22, paragraph (d). For property to qualify as class 3c, the owner of the resort must annually submit a written certification to the county assessor as provided in subdivision 22, paragraph (d). Class 3c shall be valued and assessed according to the following class rates:

(1) 32 percent of the market value of all residential structures and a proportionate share of land used in the previous assessment year for more than 250 days shall be assessed using the lowest class rate for class 3a property, and the remaining 68 percent of the market value of the residential structures and a proportionate share of land used in the previous assessment year for more than 250 days shall be assessed at 2.3 percent; and

(2) 2.3 percent of the market value of: (i) the land and the residential structures used in the year preceding the year of assessment for less than 250 days; (ii) the land, excluding that portion of land contained in clause (1); and (iii) the commercial use real property used exclusively for recreational purposes in conjunction with the class 3c property, provided that it is located within two miles of the class 3c residential property with which it is used.

Sec. 18. Minnesota Statutes 1991 Supplement, section 273.13, subdivision 25, as amended by Laws 1992, chapter 363, article 1, section 12, subdivision 1, is amended to read:

Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property has a class rate of 3.5 percent of market value for taxes payable in 1992, and 3.4 percent of market value for taxes payable in 1993 and thereafter.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, and recreational;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b).

Class 4b property has a class rate of 2.8 percent of market value for taxes payable in 1992, 2.5 percent of market value for taxes payable in 1993, and 2.3 percent of market value for taxes payable in 1994 and thereafter.

(c) Class 4c property includes:

(1) a structure that is:

(i) situated on real property that is used for housing for the elderly or for low- and moderate-income families as defined in Title II, as amended through December 31, 1990, of the National Housing Act and financed by a direct federal loan or federally insured loan made pursuant to Title II of the act; or

(ii) situated on real property that is used for housing the elderly or for low- and moderate-income families as defined by the Minnesota housing finance agency law of 1971, as amended, or rules adopted by the agency pursuant thereto and financed by a loan made by the Minnesota housing finance agency pursuant to the provisions of the act.

This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan.

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building as defined in section 42(c)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1990, that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1990; or (ii) meets the requirements of that section and receives public financing, except financing provided under sections 469.174 to 469.179, which contains terms restricting the rents; or (iii) meets the requirements of section 273.1317. Classification pursuant to this clause is limited to a term of 15 years.

For all properties described in clauses (1), (2), and (3) and in paragraph (d), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents unless the owner of the property elects to have the property assessed under Laws 1991, chapter 291, article 1, section 55. If the owner of the property elects to have the market value determined on the basis of the actual restricted rents, as provided in Laws 1991, chapter 291, article 1, section 55, the property will be assessed at the rate provided for class 4a or class 4b property, as appropriate. Properties described in clauses (1)(ii), (3), and (4) may apply to the assessor for valuation under Laws 1991, chapter 291, article 1, section 55. The land on which these structures are situated has the class rate given in paragraph (b) if the structure contains fewer than four units, and the class rate given in paragraph (a) if the structure contains four or more units. This clause applies only to the property of a nonprofit or limited dividend entity.

(4) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this clause, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics:

(a) it is a nonprofit corporation organized under chapter 317A;

(b) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws;

(c) it limits membership with voting rights to residents of the designated community; and

(d) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust; and

(5) ~~except as provided in subdivision 22, paragraph (c),~~ real property devoted to temporary and seasonal residential occupancy for recreation purposes~~, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used, or available for use for residential occupancy, and a fee is charged for residential occupancy. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause also includes the remainder of class 1c resorts~~;

(6) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1990. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or nonintoxicating malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity;

(7) post-secondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus; and

(8) manufactured home parks as defined in section 327.14, subdivision 3.

Class 4c property has a class rate of 2.3 percent of market value, except that seasonal residential recreational property ~~not used for commercial purposes~~ under clause (5) has a class rate of 2.2 percent of market value for taxes payable in 1992, and for taxes payable in 1993 and thereafter, the first $72,000 of market value has a class rate of two percent and the market value that exceeds $72,000 has a class rate of 2.5 percent.

(d) Class 4d property includes:

(1) a structure that is:

(i) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the Farmers Home Administration;

(ii) located in a municipality of less than 10,000 population; and

(iii) financed by a direct loan or insured loan from the Farmers Home Administration. Property is classified under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

The class rates in paragraph (c), clauses (1), (2), and (3) and this clause apply to the properties described in them, only in proportion to occupancy of the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. Classification under this clause is only available to property of a nonprofit or limited dividend entity.

(2) For taxes payable in 1992, 1993 and 1994, only, buildings and appurtenances, together with the land upon which they are located, leased by the occupant under the community lending model lease-purchase mortgage loan program administered by the Federal National Mortgage Association, provided the occupant's income is no greater than 60 percent of the county or area median income, adjusted for family size and the building consists of existing single

family or duplex housing. The lease agreement must provide for a portion of the lease payment to be escrowed as a nonrefundable down payment on the housing. To qualify under this clause, the taxpayer must apply to the county assessor by May 30 of each year. The application must be accompanied by an affidavit or other proof required by the assessor to determine qualification under this clause.

~~(3) For taxes payable in 1992, 1993 and 1994, only, federally acquired buildings under four units and appurtenances, together with the land upon which they are located that is leased to a nonprofit corporation organized under chapter 317A that qualifies for tax exempt status under United States Code, title 26, section 501(c), or a housing and redevelopment authority authorized under sections 469.001 to 469.047; the purpose of the lease must be to allow the nonprofit corporation to provide transitional housing for homeless persons under the program established in Code of Federal Regulations, title 55, section 49489. As used in this clause, "transitional housing" has the meaning given in section 268.38, subdivision 1, except that the two-year restriction does not apply. If the property is purchased from the federal government by the nonprofit corporation for the purpose of continuing to provide transitional housing after the expiration of the lease, the property shall continue to be eligible for this classification. To qualify under this clause, the taxpayer must apply to the county assessor by May 30 of each year. The application must be accompanied by an affidavit or other proof required by the county assessor to determine qualification under this clause. Property qualifying under this clause in 1992, 1993, or 1994 continues to receive a two percent class rate until the five-year lease has expired provided that the property continues to be used for the purposes as described in this clause.~~

(3) Qualifying buildings and appurtenances, together with the land upon which they are located, leased for a period of up to five years by the occupant under a lease-purchase program administered by the Minnesota housing finance agency or a housing and redevelopment authority authorized under sections 469.001 to 469.047, provided the occupant's income is no greater than 80 percent of the county or area median income, adjusted for family size and the building consists of two or less dwelling units. The lease agreement must provide for a portion of the lease payment to be escrowed as a nonrefundable down payment on the housing. The administering agency shall verify the occupant's income eligibility and certify to the county assessor that the occupant meets the income criteria under this clause. To qualify under this clause, the taxpayer must apply to the county assessor by May 30 of each year. For purposes of this clause, "qualifying buildings and appurtenances" shall be defined as one or two unit residential buildings which are unoccupied and have been abandoned and boarded for at least six months.

Class 4d property has a class rate of two percent of market value.

(e) Residential rental property that would otherwise be assessed as class 4 property under paragraph (a); paragraph (b), clauses (1) and (3); paragraph (c), clause (1), (2), (3), or (4), is assessed at the class rate applicable to it under Minnesota Statutes 1988, section 273.13, if it is found to be a substandard building under section 273.1316. Residential rental property that would otherwise be assessed as class 4 property under paragraph (d) is assessed at 2.3 percent of market value if it is found to be a substandard building under section 273.1316.

Sec. 19. Minnesota Statutes 1991 Supplement, section 273.13, subdivision 32, is amended to read:

Subd. 32. [TARGET CLASS RATE.] All classes of property with a class rate of 5.06 percent have a target class rate of four percent. At the time of submission of the biennial budget under section 16A.11, the governor shall recommend the effective class rate for taxes payable in the following two calendar years by designating a "phase-in percentage," equal to the proportion of the effective class rate that will be based on the target class rate of four percent, with the remaining proportion based on the class rate of 5.06 percent. The governor shall identify and include within the budget funding for the increased expenditures for homestead and agricultural credit aid over the amount of expenditures for homestead and agricultural credit aid provided in Laws 1989, First Special Session chapter 1, that are estimated to result from the recommendation. At that time, the governor may propose alternative programs other than homestead and agricultural credit aid to prevent other taxpayers' taxes from increasing as a result of the governor's recommended increase in the phase-in percentage. The effective net class rate is the sum of the products of:

(1) the phase-in percentage adopted by the legislature multiplied by four percent; and

(2) 100 percent minus the phase-in percentage multiplied by 5.06 percent.

The phase-in percentage in any year cannot be less than it was in the prior year. The phase-in percentage is ten percent for taxes payable in 1991, 29.2 percent for taxes payable in 1992 and 1993, 34.0 percent for taxes payable in ~~1993~~ 1994, and 43.4 percent for taxes payable in ~~1994~~ 1995 and thereafter.

Beginning in 1991, the commissioner of revenue shall annually set the effective class rate to use for taxes payable in the following year as provided in this subdivision and announce it by June 1. For purposes of any aid, levy limitation, debt limit, or salary limitation, and property tax administration, net tax capacity must be computed with reference to the effective class rate for the properties affected by this subdivision.

Sec. 20. Minnesota Statutes 1990, section 274.19, subdivision 8, is amended to read:

Subd. 8. [MANUFACTURED HOMES; SECTIONAL STRUCTURES.] (a) In this section, "manufactured home" means a structure transportable in one or more sections, which is built on a permanent chassis, and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and contains the plumbing, heating, air conditioning, and electrical systems in it. "Manufactured home" includes any accessory structure that is an addition or supplement to the manufactured home and, when installed, becomes a part of the manufactured home.

(b) A manufactured home that meets each of the following criteria must be valued and assessed as an improvement to real property, the appropriate real property classification applies, and the valuation is subject to review and the taxes payable in the manner provided for real property:

(1) the owner of the unit holds title to the land on which it is situated;

(2) the unit is affixed to the land by a permanent foundation or is installed at its location in accordance with the manufactured home building code in sections 327.31 to 327.34, and rules adopted under those sections, or is affixed to the land like other real property in the taxing district; and

(3) the unit is connected to public utilities, has a well and septic tank system, or is serviced by water and sewer facilities comparable to other real property in the taxing district.

(c) A manufactured home that meets each of the following criteria must be assessed at the rate provided by the appropriate real property classification but must be treated as personal property, and the valuation is subject to review and the taxes payable in the manner provided in this section:

(1) the owner of the unit is a lessee of the land under the terms of a lease;

(2) the unit is affixed to the land by a permanent foundation or is installed at its location in accordance with the manufactured homes building code contained in sections 327.31 to 327.34, and the rules adopted under those sections, or is affixed to the land like other real property in the taxing district; and

(3) the unit is connected to public utilities, has a well and septic

tank system, or is serviced by water and sewer facilities comparable to other real property in the taxing district.

(d) Sectional structures must be valued and assessed as an improvement to real property if the owner of the structure holds title to the land on which it is located or is a qualifying lessee of the land under section 273.19. In this paragraph "sectional structure" means a building or structural unit that has been in whole or substantial part manufactured or constructed at an off-site location to be wholly or partially assembled on-site alone or with other units and attached to a permanent foundation.

(e) The commissioner of revenue may adopt rules under the administrative procedure act to establish additional criteria for the classification of manufactured homes and sectional structures under this subdivision.

(f) A storage shed, deck, or similar improvement constructed on property that is leased or rented as a site for a manufactured home, sectional structure, park trailer, or travel trailer is taxable as provided in this section. The property is taxable as personal property to the lessee of the site if it is not owned by the owner of the site. The property is taxable as real estate if it is owned by the owner of the site. As a condition of permitting the owner of the manufactured home, sectional structure, park trailer, or travel trailer to construct improvements on the leased or rented site, the owner of the site must obtain the permanent home address of the lessee or user of the site. The site owner must provide the name and address to the assessor upon request.

Sec. 21. Minnesota Statutes 1991 Supplement, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver on or before November 10 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year as required in paragraph (d) or (e) and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed

property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail.

(d) Except as provided in paragraph (e), for taxes levied in 1990 and 1991, the notice must state by county, city or town, and school district:

(1) the total proposed or, for a town, final property tax levy for taxes payable the following year after reduction for state aid;

(2) the percentage increase or decrease from the actual property tax levy for taxes payable in the current year; and

(3) for counties, cities, and towns, the increase or decrease in population from the second previous calendar year to the immediately prior calendar year, and for school districts, the increase or decrease in the number of pupils in average daily membership from the current school year to the immediately following school year as determined by the commissioner of education. The data used to determine the increase or decrease in population under this clause must be the data used for purposes of the population adjustment to the levy limit base of the county, city, or town under section 275.51, subdivision 6.

For notices which are not parcel-specific, the notice must also state a total percentage increase or decrease in the proposed levy, relative to the actual property tax levy for taxes payable in the current year for the county, city or town, and school district. The county auditor shall compute the total percentage increase or decrease as an average percentage change weighted in proportion to each taxing jurisdiction's proportion of the total levy.

For purposes of this paragraph, "proposed property taxes after reduction for state aid" means the taxing authority's levy certified under section 275.07, subdivision 1.

(e) In the case of a county containing a city of the first class, or taxing authority lying wholly within a county or counties containing a city of the first class, for taxes levied in 1991, and thereafter, and for all counties for taxes levied in 1992 and thereafter, the notice must state for each parcel:

(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead;

(2) by county, city or town, school district, the sum of the special

taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year. In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(f) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and

(5) any additional amount levied in lieu of a local sales and use tax, unless this amount is included in the proposed or final taxes.

(g) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(h) If the notice the taxpayer receives under this section lists the property as nonhomestead and the homeowner provides satisfactory documentation to the county assessor that the property is owned and has been used as the owner's homestead prior to June 1 of that year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(i) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

(1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or

(2) post a copy of the notice in a conspicuous place on the premises of the property.

The notice must be mailed or posted by the taxpayer by November 13 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

Sec. 22. Minnesota Statutes 1991 Supplement, section 275.065, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC ADVERTISEMENT.] (a) A city that has a population of more than 1,000, county, or school district shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy or, in the case of a school district, to review its current budget and proposed property taxes payable in the following year, at a public hearing. The notice must be published not less than two business days nor more than six business days before the hearing.

For a city that has a population of more than 1,000 but less than 2,500 the advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper; ~~and~~. The ~~headlines~~ first headline in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 14-point, and the second headline must be in a type no smaller than 12-point. The text of the advertisement must be no smaller than ~~12-point~~ 10-point, except that the property tax amounts and percentages may be in ~~10-point~~ 9-point type.

For a city that has a population of 2,500 or more, a county or a school district, the advertisement must be at least one-quarter page in size of a standard-size or a tabloid-size newspaper; ~~and the headlines~~. The first headline in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 30-point and the second headline must be in a type no smaller than 22-point. The text of the advertisement must be no smaller than ~~22-point~~ 14-point, except that the property tax amounts and percentages may be in ~~14-point~~ 12-point type.

The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in an official newspaper of general circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not

one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week.

(b) The advertisement for a school district must be in the following form~~, except that the notice for a school district may include references to the current budget in regard to proposed property taxes~~.

"NOTICE OF

PROPOSED PROPERTY TAXES

(~~City/County/~~School District) of .....

The ~~governing body~~ board of ~~.....~~ education will soon hold ~~budget hearings and~~ a public hearing to vote on the amount of property taxes to collect to pay for ~~(city/county services that will be provided in 199_/school district services that will be provided in~~ education costs for the 199_ and 199_~~)~~ school year.

The property tax amounts below compare ~~current (city/county/school district)~~ property taxes ~~and the property taxes that would be~~ collected by the school district in 199_ with the property taxes the school board proposes to collect in 199_, if the ~~budget~~ levy now being considered is approved.

199_ Property Taxes	Proposed 199_ Property Taxes	~~199_ Increase or Decrease~~
$.....	$.....	~~.....%~~

NOTICE OF PUBLIC HEARING:

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed ~~(city/county/school district) budget and property taxes, or in the case of a school district, its current budget and proposed~~ property taxes~~,~~ for the school district for property taxes payable in the following year. The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address).

A continuation of the hearing, if necessary, will be held on (Month/Day/Year) at (Time) at (Location, Address).

Written comments may be directed to (Address)."

(c) The advertisement for a city or county must be in the following form.

"NOTICE OF

PROPOSED PROPERTY TAXES

(City/County) of .....

The governing body of ..... will soon hold budget hearings and vote on the property taxes for (city/county services that will be provided in 199).

The amounts shown below compare the (city/county's) actual operating budget and property taxes for last year, to the projected operating budget, and to property taxes that will be collected in 199 if the levy now being considered is approved.

	199 Actual	199 Proposed
General Operating Budget	$.....	$.....
Property Taxes	$.....	$.....

NOTICE OF PUBLIC HEARING:

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (city/county) budget and property taxes payable in the following year. The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address).

A continuation of the hearing, if necessary, will be held on (Month/Day/Year) at (Time) at (Location, Address).

Written comments may be directed to (Address)."

For purposes of this clause, "operating budget" means the expenditures from governmental funds as defined in the Minnesota city and county accounting and financial reporting standards uniform chart of accounts less the following expenditures:

(1) expenditures from the capital projects fund;

(2) expenditures paid for by special assessments, to the extent that the expenditures are funded by special assessments; and

(3) payments made to or on behalf of recipients of aid under any public assistance program authorized by law.

~~(c)~~ (d) A city with a population of 1,000 or less must advertise by posted notice as defined in section 645.12, subdivision 1. The advertisement must be posted at the time provided in paragraph (a). It must be in the form required in paragraph (b).

~~(d)~~ (e) For purposes of this subdivision, the population of a city is the most recent population as determined by the state demographer under section 116K.04, subdivision 4.

Sec. 23. Minnesota Statutes 1991 Supplement, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] ~~Between November 15 and December 20,~~ The governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to review its current budget and adopt its property tax levy for taxes payable in the following year.

The governing bodies of the counties shall hold the hearings on the first Tuesday in December of each year. The governing bodies of the cities shall hold the hearings the first Wednesday in December of each year. The governing bodies of the school districts shall hold the hearings on the first Thursday in December of each year. The hearing must be held after 5:00 p.m. In the case of a city or school district, hearing dates in addition to the date required in this paragraph may be set by a city or school district if (1) a single administrator has jurisdiction in more than one city or school district; (2) the date set does not conflict with the dates required in this paragraph for another local unit of government; (3) the hearing is held between December 1 and December 15; and (4) the date has been approved by the county auditor.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124.82, subdivision 3,

124A.03, subdivision 2, or 124B.03, subdivision 2, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters under section 275.58 after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a;

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified; and

(7) if not included in the certified levy, any additional amount levied pursuant to section 275.51, subdivision 7, paragraph (b).

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body of a school district, shall adopt its final property tax levy prior to adopting its final budget.

If the hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The continued hearing must be held ~~at least five business days but no more than 14 business days after the original~~ on either the seventh or the 14th day after the day of the first hearing.

~~The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The county auditor shall provide for the coordination of hearing dates for all taxing authorities within the county.~~

~~By August 1, the county auditor shall notify the clerk of each~~

~~school district within the county of the dates that the county board has designated for its hearing and any continuation under subdivision 3. By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations under subdivision 3. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which the county and school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations under subdivision 3. The city must not select dates that conflict with those elected by or assigned to the counties and school districts in which the city is located.~~

The hearing dates ~~so elected or assigned~~ must be designated on the notices required under subdivision 3.

This subdivision does not apply to towns and special taxing districts.

Sec. 24. Minnesota Statutes 1991 Supplement, section 275.125, subdivision 6j, is amended to read:

Subd. 6j. [LEVY FOR CRIME RELATED COSTS.] For taxes levied in 1991 and subsequent years, payable in 1992 ~~only~~ and subsequent years, each school district may make a levy on all taxable property located within the school district for the purposes specified in this subdivision. The maximum amount which may be levied for all costs under this subdivision shall be equal to $1 multiplied by the population of the school district. For purposes of this subdivision, "population" of the school district means the same as contained in section 275.14. The proceeds of the levy must be used for reimbursing the cities and counties who contract with the school district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison services in the district's middle and secondary schools, and (2) to ~~teach drug abuse resistance education curricula~~ pay the costs for a drug abuse prevention program as defined in Minnesota Statutes 1991 Supplement, section 609.101, subdivision 3, paragraph (f), in the elementary schools~~, and (3) to pay the costs incurred for the salaries and benefits of peace officers and sheriffs whose primary responsibilities are to investigate controlled substance crimes under chapter 152~~. The school district must initially attempt to contract for these services with the police department of each city or the sheriff's department of the county within the school district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with

any other police or sheriff's department located entirely or partially within the school district's boundaries. The levy authorized under this subdivision is not included in determining the school district's levy limitations and must be disregarded in computing any overall levy limitations under sections 275.50 to 275.56 of the participating cities or counties.

Sec. 25. Minnesota Statutes 1991 Supplement, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality and school district must be separately stated. The amounts due other taxing districts, if any, may be aggregated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."

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

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

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

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

(3) a total of the following aids:

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

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

(iii) disparity reduction aid under section 273.1398;

(4) for homestead residential and agricultural properties, the homestead and agricultural credit aid apportioned to the property. This amount is obtained by ~~multiplying~~ apportioning the total ~~local tax rate by~~ homestead and agricultural credit aid under section 273.1398, subdivision 2, to all property types which qualified for either homestead or agricultural credit for taxes payable in 1989, based upon the difference between the property's gross and net tax capacities under section 273.13. This amount must be separately stated and identified as "homestead and agricultural credit." ~~For purposes of comparison with the previou~~ year's ~~amount for the statement for taxes payable in 1990, the statement must show the homestead credit for taxes payable in 1989 under section 273.13, and the agricultural credit under section 273.132 for taxes payable in 1989~~ The 1993 tax statement shall indicate that the amount for this clause which was shown on the 1992 tax statement for taxes payable in 1992 may be different than the payable 1992 amount shown on the 1993 statement due to a change in the way the credit is calculated;

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

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

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

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

Sec. 26. Minnesota Statutes 1991 Supplement, section 277.17, is amended to read:

277.17 [ESCROW REQUIREMENT FOR DELINQUENCIES ON MANUFACTURED HOMES.]

Subdivision 1. [CERTIFICATION TO MANUFACTURED HOME OWNER.] On or before October 15 of each year, the county auditor

shall send a letter to each owner of a manufactured home for which the personal property taxes due on August 31 are delinquent as of September 30. On or before December 31 of each year, the county auditor shall send a letter to each owner of a manufactured home for which the taxes due on August 31 were not delinquent but the personal property taxes due on November 15 are delinquent as of December 15. The letter must inform the owner that ~~due to the delinquency,~~ if the delinquent taxes are not paid in full within 90 days of the date of issuance of the notice one of the following may occur:

(1) the owner ~~will~~ may be required under state law to begin making monthly payments of delinquent property taxes, and ~~that~~ the property taxes will also be escrowed for payment of property taxes the following year; or

(2) the county will notify the lender of the tax delinquency and require the lender to initiate the process provided under section 47.209. The form and content of the notice to the owner shall be specified by the commissioner of revenue.

Subd. 2. [ESTABLISHMENT OF TAX ESCROW ACCOUNTS.] The county auditor ~~must~~ may establish a tax escrow account for delinquent property taxes for ~~each~~ an owner ~~receiving a letter~~ who receives a notice under subdivision 1 if the county does not require the lender to pay the taxes on behalf of the owner under section 47.209. If an escrow account is established for an owner who receives a notice regarding taxes due August 31, the owner must pay an additional amount each month equal to ten percent of the delinquent personal property taxes, penalties, and interest due, plus ten percent of the tax payable in the following calendar year. If the owner fails to pay the tax due on November 15, the additional amount of tax due but unpaid will be added to the delinquent property taxes payable by installment under this section. If an escrow account is established for an owner who receives a notice regarding taxes due November 15, the owner must pay an additional amount each month equal to 15 percent of the delinquent taxes, penalties, and interest due, plus 12 percent of the tax payable in the following calendar year.

Subd. 3. [COUNTY ESCROW.] Within 30 days of receipt of ~~a letter~~ notice from the county auditor under subdivision ~~1~~ 2, the owner must make the first monthly payment under subdivision 2 to the county auditor. The commissioner of revenue shall prescribe the procedures to be used for monthly collections of the delinquent and current tax payments. If an owner is making the payments at the time required under this section, no action may be taken under section 277.20 with respect to the manufactured home for which the property taxes are being paid into the escrow account.

Sec. 27. Minnesota Statutes 1991 Supplement, section 278.05, subdivision 6, is amended to read:

Subd. 6. [EXCLUSION OF CERTAIN EVIDENCE.] (a) Information, including income and expense figures, verified net rentable areas, and anticipated income and expenses, for income-producing property which is not provided to the county assessor at least ~~30~~ 45 days before any hearing under this chapter, is not admissible except if necessary to prevent undue hardship or when the failure to provide it was due to the unavailability of the evidence at that time.

(b) Provided that the information as contained in paragraph (a) is timely submitted to the county assessor, the county assessor shall furnish the petitioner at least five days before the hearing under this chapter with the property's appraisal, if any, which will be presented to the court at the hearing. The petitioner shall furnish to the county assessor at least five days before the hearing under this chapter with the property's appraisal, if any, which will be presented to the court at the hearing. An appraisal of the petitioner's property done by or for the county or by or for the petitioner shall not be admissible as evidence if the provisions within this paragraph are not met.

Sec. 28. Minnesota Statutes 1991 Supplement, section 279.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, on May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, a penalty shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer. The penalty shall be at a rate of ~~three~~ two percent on homestead property ~~and seven percent~~ until May 31 and four percent on June 1. The penalty on nonhomestead property shall be at a rate of four percent until May 31 and eight percent on June 1. This penalty shall not accrue until June 1 of each year, or 21 days after the postmark date on the envelope containing the property tax statements, whichever is later, on commercial use real property used for seasonal residential recreational purposes and classified as class 1c or 4c, and on other commercial use real property classified as class 3a, provided that over 60 percent of the gross income earned by the enterprise on the class 3a property is earned during the months of May, June, July, and August. Any property owner of such class 3a property who pays the first half of the tax due on the property after May 15 and before June 1, or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, shall attach an affidavit to the payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the first day of each month beginning July 1, up to and including October 1 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes provided that if the due date was extended beyond May 15 as the result of any delay in mailing property tax statements no additional penalty shall accrue if the tax is paid by

the extended due date. If the tax is not paid by the extended due date, then all penalties that would have accrued if the due date had been May 15 shall be charged. When the taxes against any tract or lot exceed $50, one-half thereof may be paid prior to May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of ~~four~~ two percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the first day of November an additional penalty of four percent shall accrue and on the first day of December following, an additional penalty of two percent ~~for each month~~ shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the first day of November and December following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following.

This section applies to payment of personal property taxes assessed against improvements to leased property, except as provided by section 277.01, subdivision 3.

A county may provide by resolution that in the case of a property owner that has multiple tracts or parcels with aggregate taxes exceeding $50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 278.03 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 29. Minnesota Statutes 1991 Supplement, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13,

subdivision 22; (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a); or (c) seasonal recreational land as defined in section 273.13, subdivision 22, paragraph (c), 23, paragraph (c), or 25, paragraph (c), clause (5), for which the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is three years from the date of sale. The period of redemption for all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except (1) homesteaded lands as defined in section 273.13, subdivision 22, and (2) for periods of redemption beginning after June 30, 1991, but before July 1, 1996, lands located in the Loring Park targeted neighborhood on which a notice of lis pendens has been served, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale, except that the period of redemption for nonhomesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (b), shall be two years from the date of sale if at that time that property is owned by a person who owns one or more parcels of property on which taxes are delinquent, and (1) the aggregate tax capacity of that property exceeds five percent of the total tax capacity of the school district in which the property is located, or (2) the delinquent taxes are more than 25 percent of the prior year's school district levy.

Sec. 30. Minnesota Statutes 1990, section 282.01, subdivision 7, is amended to read:

Subd. 7. [SALES, WHEN COMMENCED, HOW LAND OFFERED FOR SALE.] The sale herein provided for shall commence at such time as the county board of the county wherein such parcels lie, shall direct. The county auditor shall offer the parcels of land in order in which they appear in the notice of sale, and shall sell them to the highest bidder, but not for a less sum than the appraised value, until all of the parcels of land shall have been offered, and thereafter shall sell any remaining parcels to anyone offering to pay the appraised value thereof, except that if the person could have repurchased a parcel of property under section 282.012 or 282.241, that person shall not be allowed to purchase that same parcel of property at the sale under this subdivision unless approved by the county board. Said sale shall continue until all such parcels are sold or until the county board shall order a reappraisal or shall withdraw any or all such parcels from sale. Such list of lands may be added to and the added lands may be sold at any time by publishing the descriptions and appraised values of such parcels of land as shall

have become forfeited and classified as nonconservation since the commencement of any prior sale or such parcels as shall have been reappraised, or such parcels as shall have been reclassified as nonconservation or such other parcels as are subject to sale but were omitted from the existing list for any reason in the same manner as hereinafter provided for the publication of the original list, provided that any parcels added to such list shall first be offered for sale to the highest bidder before they are sold at appraised value. All parcels of land not offered for immediate sale, as well as parcels of such lands as are offered and not immediately sold shall continue to be held in trust by the state for the taxing districts interested in each of said parcels, under the supervision of the county board, and such parcels may be used for public purposes until sold, as the county board may direct.

Sec. 31. Minnesota Statutes 1990, section 282.012, is amended to read:

282.012 [PRIOR OWNER MAY PURCHASE; CONDITIONS.]

At ~~any time not less than~~ least one week ~~prior to~~ before the date of ~~such~~ sale, the person who was the owner of any included parcel ~~at the time~~ when it forfeited to the state for nonpayment of taxes, or the person's heirs, successors or assigns or any person to whom the right to pay taxes on such lands was given by statute, mortgage, or other agreement, may purchase ~~such~~ the parcel ~~at~~. The purchase price is the greater of (1) the appraised value ~~thereof,~~ of the parcel, or (2) the sum of all delinquent taxes and assessments, computed under section 282.251, together with penalties, interest, and costs, that accrued or would have accrued if the parcel had not forfeited to the state. The purchaser's title and right ~~to be~~ is conditioned upon the primary use as designated by the resolution of the county board. The right of ~~such~~ the purchaser to purchase shall be evidenced by the purchaser's duly verified written application showing the qualifications ~~as hereinabove prescribed~~ required by this section and filed with the county auditor.

Sec. 32. Minnesota Statutes 1990, section 282.241, is amended to read:

282.241 [REPURCHASE AFTER FORFEITURE FOR TAXES.]

The owner at the time of forfeiture, or the owner's heirs, devisees, or representatives, or any person to whom the right to pay taxes was given by statute, mortgage, or other agreement, may repurchase any parcel of land claimed by the state to be forfeited to the state for taxes unless ~~prior to~~ before the time repurchase is made ~~such~~ the parcel ~~shall have been~~ is sold under installment payments, or otherwise, by the state as provided by law, or is under mineral prospecting permit or lease, or proceedings have been commenced by the state or any of its political subdivisions or by the United States

to condemn such parcel of land. ~~Said~~ The parcel of land may be repurchased ~~for a sum equal to the aggregate~~. The repurchase price is the greater of (1) the appraised value of the parcel, or (2) the sum of all delinquent taxes and assessments computed ~~as provided by~~ under section 282.251, together with penalties, interest, and costs, ~~which did~~ that accrued or would have accrued if ~~such~~ the parcel of land had not forfeited to the state. Except for property which was homesteaded on the date of forfeiture, such repurchase shall be permitted during one year only from the date of forfeiture, and in any case only after the adoption of a resolution by the board of county commissioners determining that thereby undue hardship or injustice resulting from the forfeiture will be corrected, or that permitting such repurchase will promote the use of such lands that will best serve the public interest. If the county board has good cause to believe that a repurchase installment payment plan for a particular parcel is unnecessary and not in the public interest, the county board may require as a condition of repurchase that the entire repurchase price be paid at the time of repurchase. A repurchase shall be subject to any easement, lease, or other encumbrance granted by the state prior thereto, and if said land is located within a restricted area established by any county under Laws 1939, chapter 340, such repurchase shall not be permitted unless said resolution with respect thereto is adopted by the unanimous vote of the board of county commissioners.

Sec. 33. Minnesota Statutes 1991 Supplement, section 290A.04, subdivision 2h, is amended to read:

Subd. 2h. (a) If the gross property taxes payable on a homestead increase more than ~~ten~~ 12 percent over the net property taxes payable in the prior year on the same property that is owned by the same owner in both years, and the amount of that increase is ~~$40 or more for taxes payable in 1990 and 1991, $60 or more for taxes payable in 1992,~~ $80 or more for taxes payable in 1993, and $100 or more for taxes payable in 1994, a claimant who is a homeowner shall be allowed an additional refund equal to ~~the sum of (1) 75 percent of the first $250 of the amount of the increase over ten percent for taxes payable in 1990 and 1991, 75 percent of the first $275 of the amount of the increase over ten percent for taxes payable in 1992,~~ 75 percent of the ~~first $300 of the~~ amount of the increase over ~~ten~~ 12 percent for taxes payable in 1993~~,~~ and ~~75 percent of the first $325 of the amount of the increase over ten percent for taxes payable in~~ 1994~~, and (2) 90 percent of the amount of the increase over ten percent plus $250 for taxes payable in 1990 and 1991, 90 percent of the amount of the increase over ten percent plus $275 for taxes payable in 1992, 90 percent of the amount of the increase over ten percent plus $300 for taxes payable in 1993, and 90 percent of the amount of the increase over ten percent plus $325 for taxes payable in 1994~~. This subdivision shall not apply to any increase in the gross property taxes payable attributable to improvements made to the homestead after the assessment date for the prior year's taxes.

In the case of refunds for property taxes payable in 1993 and thereafter, the maximum refund allowed under this subdivision is $1,500.

(b) For purposes of this subdivision, the following terms have the meanings given:

(1) "Net property taxes payable" means property taxes payable after reductions made under sections 273.13, subdivisions 22 and 23; 273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivision 2 and this subdivision.

(2) "Gross property taxes" means net property taxes payable determined without regard to the refund allowed under this subdivision.

(c) In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

~~On or before December 1, 1990, and December 1 of each of the following three years, the commissioner shall estimate the cost of making the payments provided by this subdivision for taxes payable in the following year. Notwithstanding the open appropriation provision of section 290A.23, if the estimated total refund claims for taxes payable in 1991, 1993, or 1994 exceed the following amounts for the taxes payable year designated, the commissioner shall increase the dollar amount of tax increase which must occur before a taxpayer qualifies for a refund so that the estimated total refund claims do not exceed the appropriation limit.~~

~~Taxes payable in:~~	~~Appropriation limit~~
~~1991~~	~~$13,000,000~~
~~1993~~	~~$6,000,000~~
~~1994~~	~~$5,500,000~~

~~The determinations of the revised thresholds by the commissioner are not rules subject to chapter 14.~~

Sec. 34. [290A.25] [VERIFICATION OF PROPERTY TAX PARCEL IDENTIFICATION NUMBERS.]

Annually, the commissioner of revenue shall furnish a list to the county assessor containing the property tax parcel identification numbers located within the county which were reported by claimants filing for a property tax refund as a renter under this chapter.

The assessor shall compare the property tax parcel identification numbers listed to determine whether any of the parcels were classified as homestead for the appropriate assessment year.

If the assessor discovers that the property was classified as homestead, the assessor shall notify the commissioner. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was improperly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that has been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, and the taconite homestead credit under section 273.1391. The county auditor shall send a notice to the owners of the property, demanding reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of taxes and penalty to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead benefits recovered by the county from the property owner shall be distributed to the county, city or town, and school district where the property is located in the same proportion that each taxing district's levy was to the total of the three taxing districts' levy for the current year. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The total amount of penalty collected must be deposited in the county general fund.

Sec. 35. Minnesota Statutes 1990, section 327C.01, is amended by adding a subdivision to read:

Subd. 9a. [RESIDENT ASSOCIATION.] "Resident association" means an organization that has the written permission of the owners of at least 51 percent of the manufactured homes in the park to represent them, and which is organized for the purpose of resolving matters relating to living conditions in the manufactured home park.

Sec. 36. Minnesota Statutes 1990, section 327C.12, is amended to read:

327C.12 [RETALIATORY CONDUCT PROHIBITED.]

A park owner may not increase rent, decrease services, alter an existing rental agreement or seek to recover possession or threaten such action in whole or in part as a penalty for a resident's:

(a) good faith complaint to the park owner or to a government agency or official; ~~or~~

(b) good faith attempt to exercise rights or remedies pursuant to state or federal law. In any proceeding in which retaliatory conduct is alleged, the burden of proving otherwise shall be on the park owner if the owner's challenged action began within 90 days after the resident engaged in any of the activities protected by this section. If the challenged action began more than 90 days after the resident engaged in the protected activity, the party claiming retaliation must make a prima facie case. The park owner must then prove otherwise; or

(c) joining and participating in the activities of a resident association as defined under section 327C.01, subdivision 9a.

Sec. 37. Minnesota Statutes 1990, section 414.0325, is amended by adding a subdivision to read:

Subd. 1a. [ORDERLY ANNEXATION BY PETITION.] If the board receives a petition for annexation of an area owned by a municipality or from all of the property owners in an area, and the area is within two miles of the corporate boundaries of the municipality, the petition shall confer jurisdiction on the board to consider designation of the area for orderly annexation. Upon receipt of the petition, the board shall inform the affected parties of their opportunity to request a hearing before the board on the petition, and if a hearing is requested, it must be held within 60 days of the request. Any person aggrieved by the board's designation of an area as appropriate for orderly annexation may appeal the board's order to district court in accordance with section 414.07.

Sec. 38. Minnesota Statutes 1990, section 414.033, subdivision 2, is amended to read:

Subd. 2. A municipal council may by ordinance declare land annexed to the municipality and any such land is deemed to be urban or suburban in character or about to become so if:

~~(a)~~ (1) the land is owned by the municipality; ~~or~~

~~(b)~~ (2) the land is completely surrounded by land within the municipal limits; or

(3) the land abuts the municipality and the area to be annexed is

60 acres or less, and the municipality receives a petition for annexation from all the property owners of the land.

Sec. 39. Minnesota Statutes 1990, section 414.033, is amended by adding a subdivision to read:

Subd. 2a. [MUNICIPALITY MAY ANNEX.] Notwithstanding the abutting requirement of subdivision 1, if land is owned by a municipality or if all of the landowners petition for annexation, and the land is within an existing orderly annexation area as provided by section 414.0325, then the municipality may declare the land annexed.

Sec. 40. Minnesota Statutes 1990, section 414.033, subdivision 3, is amended to read:

Subd. 3. If the perimeter of the area to be annexed by a municipality is 60 percent or more bordered by the municipality and if the area to be annexed is 40 acres or less, the municipality shall serve notice of intent to annex upon the town board and the municipal board, unless the area is appropriate for annexation by ordinance under subdivision 2, clause (3). The town board shall have 90 days from the date of service to serve objections with the board. If no objections are forthcoming within the said 90 day period, such land may be annexed by ordinance. If objections are filed with the board, the board shall conduct hearings and issue its order as in the case of annexations under section 414.031, subdivisions 3 and 4.

Sec. 41. Minnesota Statutes 1990, section 414.033, subdivision 5, is amended to read:

Subd. 5. If the land is platted, or, if unplatted, does not exceed 200 acres, ~~the property owner or~~ a majority of the property owners in number may petition the municipal council to have such land included within the abutting municipality and, within ten days thereafter, shall file copies of the petition with the board, the town board, the county board and the municipal council of any other municipality which borders the land to be annexed. Within 90 days from the date of service, the town board or the municipal council of such abutting municipality may submit written objections to the annexation to the board and the annexing municipality. Upon receipt of such objections, the board shall proceed to hold a hearing and issue its order in accordance with section 414.031, subdivisions 3, 4, and 5. If written objections are not submitted within the time specified hereunder and if the municipal council determines that property proposed for the annexation is now or is about to become urban or suburban in character, it may by ordinance declare such land annexed to the municipality. If the petition is not signed by all the property owners of the land proposed to be annexed, the ordinance shall not be enacted until the municipal council has held

a hearing on the proposed annexation after at least 30 days mailed notice to all property owners within the area to be annexed.

Sec. 42. Minnesota Statutes 1990, section 473.388, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL ASSISTANCE.] The board may grant the requested financial assistance if it determines that the proposed service is consistent with the approved implementation plan and is intended to replace the service to the applying city or town or combination thereof by the transit commission and that the proposed service will meet the needs of the applicant at least as efficiently and effectively as the existing service.

The amount of assistance which the board may provide under this section may not exceed the sum of:

(a) the portion of the available local transit funds which the applicant proposes to use to subsidize the proposed service; and

(b) an amount of financial assistance bearing an identical proportional relationship to the amount under clause (a) as the total amount of financial assistance to the transit commission bears to the total amount of taxes collected by the board under section 473.446. The board shall pay the amount to be provided to the recipient from the assistance the board would otherwise pay to the transit commission.

For purposes of this section "available local transit funds" means 90 percent of the tax revenues which would accrue to the board from the tax it levies under section 473.446 in the applicant city or town or combination thereof.

For purposes of this section, "tax revenues" in the city or town means the sum of the following:

(1) the nondebt spread levy, which is the total of the taxes extended by application of the local tax rate for nondebt purposes on the taxable net tax capacity;

(2) the portion of the fiscal disparity distribution levy under section 473F.08, subdivision 3, attributable to nondebt purposes; and

(3) the portion of the homestead credit and agricultural credit aid and disparity reduction aid amounts under section 273.1398, subdivisions 2 and 3, attributable to nondebt purposes.

Tax revenues do not include the state feathering reimbursement under section 473.446.

Sec. 43. [473F.001] [CITATION.]

This chapter shall be cited as the "Charles R. Weaver metropolitan revenue distribution act."

Sec. 44. Minnesota Statutes 1990, section 473H.10, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF TAX; STATE REIMBURSEMENT.] (a) After having determined the market value of all land valued according to subdivision 2, the assessor shall compute the ~~gross~~ net tax capacity of those properties by applying the appropriate class rates. When computing the rate of tax pursuant to section 275.08, the county auditor shall include the ~~gross~~ net tax capacity of land as provided in this clause.

(b) The county auditor shall compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the ~~gross~~ net tax capacity times the total local tax rate for all purposes as provided in clause (a).

(c) The county auditor shall then compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the net tax capacity times the total local tax rate for all purposes as provided in clause (a), subtracting $3 per acre of land in the preserve.

(d) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the ~~gross~~ net tax capacity times 105 percent of the previous year's statewide average local tax rate levied on property located within townships for all purposes.

~~(d)~~ (e) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be the amount determined in clause ~~(b)~~ ~~or~~ (c) or (d), whichever is less. ~~If the gross tax in clause (c) is less than the gross tax in clause (b),~~ The state shall reimburse the taxing jurisdictions for the amount of the difference between the net tax determined under this clause and the gross tax in clause (b). Residential buildings shall continue to be valued and classified according to the provisions of sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.

The county may transfer money from the county conservation account created in section 40A.152 to the county revenue fund to reimburse the fund for the tax lost as a result of this subdivision or to pay taxing jurisdictions within the county for the tax lost. The county auditor shall certify to the commissioner of revenue on or

before June 1 the total amount of tax lost to the county and taxing jurisdictions located within the county as a result of this subdivision and the extent that the tax lost exceeds funds available in the county conservation account. Payment shall be made by the state on December 15 to each of the affected taxing jurisdictions, other than school districts, in the same proportion that the ad valorem tax is distributed if the county conservation account is insufficient to make the reimbursement. There is annually appropriated from the Minnesota conservation fund under section 40A.151 to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision. If the amount available in the Minnesota conservation fund is insufficient, the balance that is needed is appropriated from the general fund.

Sec. 45. Minnesota Statutes 1990, section 488A.20, subdivision 4, is amended to read:

Subd. 4. [DISPOSITION OF FINES, FEES AND OTHER MONEYS; ACCOUNTS.] (a) Except as otherwise provided herein and except as otherwise provided by law, the administrator shall pay to the Ramsey county treasurer all fines and penalties collected by the administrator, all fees collected for administrator's services, all sums forfeited to the court as hereinafter provided, and all other moneys received by the administrator.

(b) The administrator of court shall for each fine or penalty, provide the county treasurer with the name of the municipality or other subdivision of government where the offense was committed and the total amount of the fines or penalties collected for each such municipality or other subdivision of government.

(c) The state of Minnesota and any governmental subdivision within the jurisdictional area of the municipal court herein established may present cases for hearing before said municipal court. In the event the court takes jurisdiction of a prosecution for the violation of a statute or ordinance by the state or a governmental subdivision other than a city or town in Ramsey county, all fines, penalties and forfeitures collected shall be paid over to the county treasurer except where a different disposition is provided by law, and the following fees shall be taxed to the state or governmental subdivision other than a city or town within Ramsey county which would be entitled to payment of the fines, forfeitures or penalties in any case, and shall be paid to the administrator of the court for disposing of the matter. The administrator shall deduct the fees from any fine collected for the state of Minnesota or a governmental subdivision other than a city or town within Ramsey County and transmit the balance in accordance with the law, and the deduction of the total of the fees each month from the total of all the fines collected is hereby expressly made an appropriation of funds for payment of the fees:

(1) In all cases where the defendant is brought into court and pleads guilty and is sentenced, or the matter is otherwise disposed of without a trial.....$5

(2) In arraignments where the defendant waives a preliminary examination.....$10

(3) In all other cases where the defendant stands trial or has a preliminary examination by the court.....$15

(4) The court shall have the authority to waive the collection of fees in any particular case.

(d) At the beginning of the first day of any month, the amount in the hands of the administrator which is owing to any municipality or county shall not exceed $5,000.

(e) On or before the last day of each month, the county treasurer shall pay over to the treasurer of the city of St. Paul two-thirds and to the treasurer of each other municipality or subdivision of government in Ramsey county one-half of all fines or penalties collected during the previous month from those imposed for offenses committed within ~~such~~ the treasurer's municipality or subdivision of government in violation of a statute, an ordinance, charter provision, rule or regulation of a city. All other fines and forfeitures and all fees and costs collected by the county municipal court shall be paid to the treasurer of Ramsey county who shall dispense the same as provided by law.

(f) Amounts represented by checks issued by the administrator or received by the administrator which have not cleared by the end of the month may be shown on the monthly account as having been paid or received, subject to adjustment on later monthly accounts.

(g) The administrator may receive negotiable instruments in payment of fines, penalties, fees, or other obligations as conditional payments, and is not held accountable therefor but if collection in cash is made and then only to the extent of the net collection after deduction of the necessary expense of collection.

Sec. 46. [SPECIAL SERVICE DISTRICT; CITY OF HUTCHINSON.]

Subdivision 1. [SPECIAL SERVICES DEFINED.] For purposes of this section, "special services" means all services rendered or contracted for by the city of Hutchinson, including, but not limited to:

(1) the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;

(2) parking services rendered or contracted for by the city;

(3) development and promotional services rendered or contracted for by the city; and

(4) any other service or improvement provided by the city or development authority that is authorized by law or charter.

Subd. 2. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.] The governing body of the city of Hutchinson may adopt an ordinance establishing a special service district to be operated by the city of Hutchinson. Minnesota Statutes, chapter 428A, governs the establishment and operation of special service districts in the city.

Subd. 3. [LOCAL APPROVAL; EFFECTIVE DATE.] This section is effective the day after approval by the governing body of the city of Hutchinson and its compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 47. [DULUTH; THIEF RIVER FALLS; TECHNICAL COLLEGE STUDENT HOUSING; PROPERTY TAX EXEMPTION.]

Subdivision 1. [EXEMPTION.] As provided in this section, qualified student housing at the Duluth and Thief River Falls technical colleges is exempt from ad valorem property taxation. In order to qualify for the exemption, the requirements in subdivisions 2 to 6 must be met.

Subd. 2. [FINDING OF NEED.] Before authorizing a project qualifying under this section, the state board of technical colleges must find (1) that an adequate supply of appropriate housing is not available to students of the technical college, (2) that there is significant demand for housing by students of the technical college, and (3) that the private market is unable to satisfy this demand either at affordable prices or in a reasonable time.

Subd. 3. [LOCATED ON LEASED PUBLIC LAND.] The student housing must be located on land owned by the technical college, the school district, or the state board of technical colleges that is leased to a private or nonprofit entity. The lease must provide for nominal rent.

Subd. 4. [NEW OR REHABILITATED UNITS ONLY.] The qualified student housing must consist of dwelling units that either were constructed or substantially rehabilitated after the project is approved by the state board.

Subd. 5. [CONTRACT WITH DEVELOPER.] The state board must enter into a contract with the developer or landlord of the qualified student housing project. This contract must provide that the reduced

costs of the development resulting from the property tax exemption and leased land at a nominal rent will be reflected in lower rents for student tenants. The contract must also provide a reasonable system of giving priority to students in renting the dwelling units. The contract may include any other provisions that the board determines to be reasonable and appropriate, including provisions to monitor or ensure that priority is given to students in renting, that the student rents reflect the lower costs, or that special services are available to student tenants.

Subd. 6. [MINIMUM STUDENT OCCUPANCY REQUIRED.] A student housing project qualifies for exemption under this section, only if more than 50 percent of the units are occupied during the year by students of the technical college or other post-secondary institutions. For purposes of this section, a student must be enrolled in a certificate or degree program to qualify.

Subd. 7. [EXPIRATION.] This section applies to student housing approved by the state board before January 1, 1997. The property tax exemption for a student housing development is limited to 20 years from the date of first occupancy. This section expires January 1, 2018.

Subd. 8. [EFFECTIVE DATE.] This section is effective separately for each city the day after the governing body of the city of Duluth and the city of Thief River Falls complies with Minnesota Statutes, section 645.021, subdivision 3, and applies beginning for property taxes assessed in 1993, and payable in 1994.

Sec. 48. [PROPERTY ACQUIRED FROM ELECTRIC COOPERATIVE.]

Subdivision 1. [PROPERTY EXEMPTION.] Property owned by a cooperative association, as defined in Minnesota Statutes, section 273.40, that is purchased by a public utility, as defined in Minnesota Statutes, section 216B.02, remains exempt from property taxes, if the property:

(1) was exempt under Minnesota Statutes, section 272.02, subdivision 1, clause (18), when it was owned by the cooperative association; and

(2) is located in St. Louis, Koochiching, Itasca, and Lake counties.

This exemption applies for three assessment years from the date of purchase. The tax under Minnesota Statutes, section 273.41, continues to apply during the three-year exemption period. The rates charged by the public utility must reflect the property tax exemption provided under this section.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective in St. Louis, Koochiching, Itasca, and Lake counties the day after the governing body of the county complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 49. [HENNEPIN COUNTY; PROPERTY TAX EXEMPTION.]

Subdivision 1. [EXEMPTION.] Notwithstanding the time requirements of Minnesota Statutes, section 272.02, subdivision 4, paragraph (b), for taxes levied in 1991, payable in 1992, the governing body of Hennepin county may grant a property tax exemption for property that (1) meets the requirements of exempt property under Minnesota Statutes, section 272.02, subdivision 4, paragraph (b), except for the July 1 date; (2) was an athletic facility classified as class 3 commercial and industrial property on January 2, 1991; and (3) was acquired during 1991 by a church.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of Hennepin county.

Sec. 50. [TRANSFERRING CLOSED ARMORIES.]

Notwithstanding Minnesota Statutes 1990, section 193.36, an armory that is mustered out of the service of the state and is closed by the adjutant general between the effective date of this act and July 1, 1994, must be disposed of as provided in this act.

An armory subject to this section must be offered for sale to the municipality or county within which it is located for the price of $1. In the event that both the municipality and the county desire to purchase the armory, the municipality must be given first priority to purchase the armory. If the municipality or county does not agree to purchase the armory after a reasonable opportunity, the adjutant general shall dispose of the property as provided in Minnesota Statutes 1990, section 193.36. The adjutant general shall dispose of any receipts from the sale of the property as provided in Minnesota Statutes 1990, section 193.36, subdivision 2.

Sec. 51. [PLANNING AND REMODELING GRANTS.]

$50,000 for each armory sold or disposed of under this section is appropriated from the general fund to the department of military affairs for fiscal year 1993 for the purpose of providing grants to municipalities or counties that purchase closed armories under section 50. A grant of up to $50,000 must be provided to each municipality or county purchasing an armory. These grants must be used by the municipality or county for preparing this property for any purpose deemed acceptable by the acquiring municipality or

county. The commissioner of military affairs shall consult with representatives of the acquiring municipalities and counties in adopting rules for the distribution of the grants.

Sec. 52. [LIMITATION; LIABILITY.]

A municipality or county does not become responsible for responding to the presence of a hazardous substance or pollutant or contaminant in or on property associated with an armory under Minnesota Statutes, chapter 115B, solely because it takes ownership of an armory under sections 50 to 52.

Sec. 53. [INTERNATIONAL FALLS; ICE ARENA LEVY.]

Subdivision 1. [LEVY.] Each year, independent school district No. 361, International Falls, may levy for the operational costs of the Bronco arena. The levy may not exceed the actual costs of operation of the arena for the previous year.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective the day after the governing body of independent school district No. 361, International Falls, complies with Minnesota Statutes, section 645.021, subdivision 1.

Sec. 54. [WATERSHED DISTRICT LEVIES.]

Subdivision 1. [LEVY AUTHORIZATION.] The Nine Mile Creek watershed district, the Riley-Purgatory Bluff Creek watershed district, the Minnehaha Creek watershed district, the Coon Creek watershed district, and the Lower Minnesota River watershed district may levy in 1992 and thereafter a tax not to exceed $160,000 on property within the district for the administrative fund. The administrative fund shall be used for the purposes contained in Minnesota Statutes, section 103D.905, subdivision 3. The board of managers shall make the levy for the administrative fund in accordance with Minnesota Statutes, section 103D.901.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 takes effect separately for each of the districts the day after its board of managers complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 55. [PRIVATE SALE OF TAX-FORFEITED LAND; CROW WING COUNTY.]

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

(b) If the county conveys the land under paragraph (a), it must be sold by private sale to Mr. Robert H. Schumacher of Eden Prairie, Minnesota provided that Mr. Schumacher pays to the Crow Wing county treasurer an amount equal to the appraised value of the land described in paragraph (c). The Crow Wing county assessor shall value the land described in paragraph (c) and determine its appraised value. The conveyance must be in a form approved by the attorney general.

(c) The land to be conveyed is located in Crow Wing county, and is described as:

Government Lot 1, Section 26, Township 138, Range 27, Crow Wing County, Minnesota

(d) Since the parcel of land described in paragraph (c) is accessible on land only through property surrounding Government Lot 1 which Mr. Schumacher has purchased on a contract for deed, the county would best be served by returning this land to private ownership.

Sec. 56. [STUDY OF SINGLE-USE PROPERTY.]

For the purposes of providing information to the legislature, the commissioner of revenue shall survey selected county assessors to obtain information on the number and types of single-use industrial real estate properties in the state. For purposes of the survey, the commissioner of revenue shall develop a definition of single-use industrial real estate property in consultation with the chairs of the house and senate tax committees and county assessors. The commissioner shall make a report on the findings of the survey to the chairs of the house and senate tax committees prior to the 1993 legislative session.

Sec. 57. [REPAYMENT.]

The city of St. Paul shall repay to Ramsey county an amount equal to the difference between the payments it receives under section 488A.20, subdivision 4, from July 1, 1992, to December 31, 1992. That amount, plus interest, must be paid over 12 equal monthly installments beginning January 31, 1993. Interest will be accrued at the average rate of return for Ramsey county's portfolio of general investments as determined by the manager of the revenue division of the Ramsey county department of taxation and records administration, using the county's normal method of calculating investment earnings on monthly balances.

Sec. 58. [REPEALER.]

(a) Minnesota Statutes 1991 Supplement, section 273.124, subdivision 15, is repealed.

(b) Minnesota Statutes 1990, section 414.031, subdivision 5, is repealed.

(c) Minnesota Statutes 1991 Supplement, section 271.04, subdivision 2, is repealed.

Sec. 59. [EFFECTIVE DATES.]

Section 2 is effective beginning with the 1992 sales ratio study.

Sections 6, 7, 9, 12, 20, 22, paragraphs (b) and (c), 23, 28, 42, 44, and 58, paragraph (a), are effective for property taxes levied in 1992, payable in 1993, and thereafter.

Sections 8, 10, 14, 15, 21, and 34 are effective for property taxes levied in 1993, payable in 1994, and thereafter.

Section 13 is effective the day following final enactment and applies to property taxes payable in 1993 and thereafter by property for which leasehold cooperative status had been claimed before or after the effective date.

Sections 16 to 18 are effective for assessment year 1992 and thereafter, for taxes payable in 1993 and thereafter, provided that for the assessment year 1992, for taxes payable in 1993, the January 15, 1992, certification date in section 16 is extended to June 15, 1992.

Section 25 is effective for tax statements for 1993 and thereafter, provided that the "homestead and agricultural credit" amount in Minnesota Statutes 1991 Supplement, section 276.04, subdivision 2, paragraph (c), clause (4), shall be calculated in the same manner for taxes payable in 1992 and 1993, for purposes of the 1993 tax statement.

Sections 5, 22, paragraph (a), 30 to 32, 50 to 52, 55, and 56 are effective the day following final enactment.

Sections 4, 27, and 58, paragraph (c), are effective for hearings scheduled by the court after January 1, 1993.

Section 45 is effective for collections made July 1, 1992, and thereafter.

ARTICLE 3

SALES TAXES

Section 1. Minnesota Statutes 1991 Supplement, section 289A.20, subdivision 4, is amended to read:

Subd. 4. [SALES AND USE TAX.] (a) The taxes imposed by chapter 297A are due and payable to the commissioner monthly on or before the 20th day of the month following the month in which the taxable event occurred or following another reporting period as the commissioner prescribes, except that use taxes due on an annual use tax return as provided under section 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year.

(b) A vendor having a liability of $1,500 or more in May of a year must remit the June liability in the following manner:

(1) On or before June 20 of the year, the vendor must remit the actual May liability and one-half of the estimated June liability to the commissioner.

(2) On or before August 20 of the year, the vendor must pay any additional amount of tax not remitted in June.

(c) When a retailer located outside of a city that imposes a local sales and use tax collects use tax to be remitted to that city, the retailer is not required to remit the tax until the amount collected reaches $10.

(d) A vendor having a liability of $240,000 or more during a fiscal year ending June 30 must remit all liabilities in the subsequent calendar year by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the 14th day of the month following the month in which the taxable event occurred, except for the May liability and one-half of the estimated June liability, which are due on or before the date the tax is due under clause (b)(1). The remaining amount of the June liability is due on August 14. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

(e) If the vendor required to remit by electronic funds transfer as provided in this subdivision is unable due to reasonable cause to determine the actual sales and use tax due on or before the 14th day of the month, the vendor may remit an estimate of the tax owed using one of the following options:

(1) 100 percent of the tax reported on the previous month's sales and use tax return;

(2) 100 percent of the tax reported on the sales and use tax return for the same month in the previous calendar year; or

(3) 95 percent of the actual tax due.

Any additional amount of tax that is not remitted on or before the 14th day of the month, must be remitted with the return by the 20th day of the month following the month in which the taxable event occurred. A vendor must notify the commissioner of the option that will be used to estimate the tax due, and must obtain approval from the commissioner to switch to another option. If a vendor fails to remit the actual liability or does not remit using one of the estimate options by the 14th day of the month, the vendor must remit actual liability as provided in paragraph (d) in all subsequent periods.

Sec. 2. [297.031] [REFUND FOR TAX CONSTITUTING BAD DEBT.]

Subdivision 1. [ADOPTION OF RULES.] The commissioner may adopt rules providing a refund of the tax paid under section 297.02 if the tax paid qualifies as a bad debt under section 166(a) of the Internal Revenue Code of 1986, as amended through December 31, 1991.

Subd. 2. [CREDIT AGAINST TAX.] The commissioner may credit the amount determined under this section against taxes otherwise payable under this chapter by the taxpayer.

Subd. 3. [CLAIMS; TIME LIMIT.] Claims for refund must be filed with the commissioner within one year of the filing date of the taxpayer's federal income tax return containing the bad debt deduction that is being claimed. Claimants under this section are subject to the notice requirements of section 289A.38, subdivision 7.

Subd. 4. [ANNUAL APPROPRIATION.] There is appropriated annually from the general fund to the commissioner the amount necessary to make the refunds provided by this section.

Sec. 3. [297.321] [REFUND FOR TAX CONSTITUTING BAD DEBT.]

Subdivision 1. [ADOPTION OF RULES.] The commissioner may adopt rules providing a refund of the tax paid under section 297.32 if the tax paid qualifies as a bad debt under section 166(a) of the Internal Revenue Code of 1986, as amended through December 31, 1991.

Subd. 2. [CREDIT AGAINST TAX.] The commissioner may credit the amount determined under this section against taxes otherwise payable under this chapter by the taxpayer.

Subd. 3. [CLAIMS; TIME LIMIT.] Claims for refund must be filed with the commissioner within one year of the filing date of the taxpayer's federal income tax return containing the bad debt deduc-

tion that is being claimed. Claimants under this section are subject to the notice requirements of section 289A.38, subdivision 7.

Subd. 4. [ANNUAL APPROPRIATION.] There is appropriated annually from the general fund to the commissioner the amount necessary to make the refunds provided by this section.

Sec. 4. Minnesota Statutes 1991 Supplement, section 297A.01, subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property other than manufactured homes used for residential purposes for a continuous period of 30 days or more, for a consideration in money or by exchange or barter;

(b) The production, fabrication, printing, or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing, or processing;

(c) The furnishing, preparing, or serving for a consideration of food, meals, or drinks. "Sale" does not include:

(1) meals or drinks served to patients, inmates, or persons residing at hospitals, sanitariums, nursing homes, senior citizens homes, and correctional, detention, and detoxification facilities;

(2) meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served; or

(3) meals and lunches served at public and private schools, universities, or colleges. Notwithstanding section 297A.25, subdivision 2, taxable food or meals include, but are not limited to, the following:

(i) heated food or drinks;

(ii) sandwiches prepared by the retailer;

(iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;

(iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;

(v) soft drinks and other beverages prepared or served by the retailer;

(vi) gum;

(vii) ice;

(viii) all food sold in vending machines;

(ix) party trays prepared by the retailers; and

(x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;

(d) The granting of the privilege of admission to places of amusement, recreational areas, or athletic events, except a world championship football game sponsored by the national football league, and the privilege of having access to and the use of amusement devices, tanning facilities, reducing salons, steam baths, turkish baths, health clubs, and spas or athletic facilities;

(e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service, intrastate toll service, and interstate toll service, if that service originates from and is charged to a telephone located in this state. Telephone service includes paging services and private communication service, as defined in United States Code, title 26, section 4252(d), except for private communication service purchased by an agent acting on behalf of the state lottery. The furnishing for a consideration of access to telephone services by a hotel to its guests is a sale under this clause. The furnishing for consideration of 900 service, as defined in section 297A.01, subdivision 20, is a sale under this clause. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale. The sale of natural gas to be used as a fuel in vehicles propelled by natural gas shall not be considered a sale for the purposes of this section;

(g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly

premium service, and charges for any other similar television services;

(h) Notwithstanding subdivision 4, and section 297A.25, subdivision 9, the sales of horses including claiming sales and fees paid for breeding a stallion to a mare. This clause applies to sales and fees with respect to a horse to be used for racing whose birth has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association;

(i) The furnishing for a consideration of parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(j) The furnishing for a consideration of services listed in this paragraph:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin-operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting and exterminating services;

(iv) services provided by detective agencies, security services, burglar, fire alarm, and armored car services not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1;

(v) pet grooming services;

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; arborist services; tree, bush, and shrub pruning, bracing, spraying, and surgery; and tree trimming for public utility lines. Services performed under a construction contract for the installation of shrubbery, plants, sod, trees, bushes, and similar items are not taxable;

(vii) solid waste collection and disposal services as described in section 297A.45;

(viii) massages, except when provided by a licensed health care

facility or professional or upon written referral from a licensed health care facility or professional for treatment of illness, injury, or disease; and

(ix) the furnishing for consideration of lodging, board and care services for animals in kennels and other similar arrangements, but excluding veterinary and horse boarding services.

The services listed in this paragraph are taxable under section 297A.02 if the service is performed wholly within Minnesota or if the service is performed partly within and partly without Minnesota and the greater proportion of the service is performed in Minnesota, based on the cost of performance. In applying the provisions of this chapter, the terms "tangible personal property" and "sales at retail" include taxable services and the provision of taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable under this paragraph. Services performed by a partnership or association for another partnership or association are not taxable under this paragraph if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of this section, "affiliated group of corporations" includes those entities that would be classified as a member of an affiliated group under United States Code, title 26, section 1504, and who are eligible to file a consolidated tax return for federal income tax purposes;

(k) A "sale" and a "purchase" includes the transfer of computer software, meaning information and directions that dictate the function performed by data processing equipment. A "sale" and a "purchase" does not include the design, development, writing, translation, fabrication, lease, or transfer for a consideration of title or possession of a custom computer program; and

(l) The granting of membership in a club, association, or other organization if:

(1) the club, association, or other organization makes available for the use of its members sports and athletic facilities (without regard to whether a separate charge is assessed for use of the facilities); and

(2) use of the sports and athletic facilities is not made available to the general public on the same basis as it is made available to members.

Granting of membership includes both one-time initiation fees and periodic membership dues. Sports and athletic facilities include golf courses, tennis, racquetball, handball and squash courts, basketball and volleyball facilities, running tracks, exercise equipment, swimming pools, and other similar athletic or sports facilities. The

provisions of this paragraph do not apply to camps or other recreation facilities owned and operated by an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, for educational and social activities for young people primarily age 18 and under.

Sec. 5. Minnesota Statutes 1990, section 297A.01, is amended by adding a subdivision to read:

Subd. 20. [900 TELEPHONE SERVICE.] "900 service" means pay per call 900 information services provided through a telephone exchange, commonly accessed by dialing 1-900, 1-960, 1-976, or another similar prefix. 900 service includes service that is either charged to a telephone in this state or billed to a customer at an address in Minnesota, whether through a credit card or otherwise.

Sec. 6. Minnesota Statutes 1990, section 297A.02, is amended by adding a subdivision to read:

Subd. 5. [900 TELEPHONE SERVICE.] In addition to the tax imposed under subdivision 1, an excise tax of five percent of the gross receipts from sales at retail of or furnishing for consideration of 900 service.

Sec. 7. Minnesota Statutes 1991 Supplement, section 297A.135, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED.] A tax of $7.50 is imposed on the lease or rental in this state ~~on a daily or weekly basis~~ for not more than 28 days of a passenger automobile as defined in section 168.011, subdivision 7, a van as defined in section 168.011, subdivision 28, or a pickup truck as defined in section 168.011, subdivision 29. The tax does not apply to the lease or rental of a hearse or limousine used in connection with a burial or funeral service. ~~The tax does not apply if the term of the lease or rental is longer than 28 days.~~ It applies whether or not the vehicle is licensed in the state.

Sec. 8. Minnesota Statutes 1991 Supplement, section 297A.135, is amended by adding a subdivision to read:

Subd. 4. [EXEMPTION.] The tax imposed by this section does not apply to a lease or rental if the vehicle is to be used by the lessee to provide a licensed taxi service.

Sec. 9. Minnesota Statutes 1990, section 297A.14, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] For the privilege of using, storing or consuming in Minnesota tangible personal property or taxable services purchased for use, storage, or consumption in this state, a

use tax is imposed on every person in this state at the rate of tax imposed under section 297A.02 on the sales price of sales at retail of the items, unless the tax imposed by section 297A.02 was paid on the sales price.

A use tax is imposed on every person who uses, stores, or consumes tangible personal property in Minnesota which has been manufactured, fabricated, or assembled by the person from new materials, either within or without this state, at the rate of tax imposed under section 297A.02 on the sales price of sales at retail of the raw materials contained in the tangible personal property, unless the tax imposed by section 297A.02 was paid on the sales price.

Sec. 10. Minnesota Statutes 1990, section 297A.15, subdivision 5, is amended to read:

Subd. 5. [REFUND; APPROPRIATION.] Notwithstanding the provisions of ~~sections~~ section 297A.25, ~~subdivision~~ subdivisions 42 and 50, ~~and 297A.257~~ the tax on sales of capital equipment, and construction materials and supplies under section ~~297A.257~~ 297A.25, subdivision 50, shall be imposed and collected as if the rate under section 297A.02, subdivision 1, applied. Upon application by the purchaser, on forms prescribed by the commissioner, a refund equal to the reduction in the tax due as a result of the application of the exemption under section 297A.25, subdivision 42 or 50, ~~or 297A.257~~ shall be paid to the purchaser. In the case of building materials qualifying under section ~~297A.257~~ 297A.25, subdivision 50, where the tax was paid by a contractor, application must be made by the owner for the sales tax paid by all the contractors, subcontractors, and builders for the project. The application must include sufficient information to permit the commissioner to verify the sales tax paid for the project. The application shall include information necessary for the commissioner initially to verify that the purchases qualified as capital equipment under section 297A.25, subdivision 42, or capital equipment or construction materials and supplies under section ~~297A.257~~ 297A.25, subdivision 50. No more than two applications for refunds may be filed under this subdivision in a calendar year. Unless otherwise specifically provided by this subdivision, the provisions of section 289A.40 apply to the refunds payable under this subdivision. There is annually appropriated to the commissioner of revenue the amount required to make the refunds.

The amount to be refunded shall bear interest at the rate in section 270.76 from the date the refund claim is filed with the commissioner.

Sec. 11. Minnesota Statutes 1991 Supplement, section 297A.21, subdivision 4, is amended to read:

Subd. 4. [REQUIRED REGISTRATION BY OUT-OF-STATE RETAILER NOT MAINTAINING PLACE OF BUSINESS IN MINNE-

SOTA.] (a) A retailer making retail sales from outside this state to a destination within this state and not maintaining a place of business in this state shall file an application for a permit pursuant to section 297A.04 and shall collect and remit the use tax as provided in section 297A.16 if the retailer engages in the regular or systematic soliciting of sales from potential customers in this state by:

(1) the distribution, by mail or otherwise, without regard to the state from which such distribution originated or in which the materials were prepared, of catalogs, periodicals, advertising flyers, or other written solicitations of business to customers in this state;

(2) display of advertisements on billboards or other outdoor advertising in this state;

(3) advertisements in newspapers published in this state;

(4) advertisements in trade journals or other periodicals the circulation of which is primarily within this state;

(5) advertisements in a Minnesota edition of a national or regional publication or a limited regional edition in which this state is included of a broader regional or national publication which are not placed in other geographically defined editions of the same issue of the same publication;

(6) advertisements in regional or national publications in an edition which is not by its contents geographically targeted to Minnesota but which is sold over the counter in Minnesota or by subscription to Minnesota residents;

(7) advertisements broadcast on a radio or television station located in Minnesota; or

(8) any other solicitation by telegraphy, telephone, computer data base, cable, optic, microwave, or other communication system.

(b) The location within or without this state of vendors independent of the retailer which provide products or services to the retailer in connection with its solicitation of customers within this state, including such products and services as creation of copy, printing, distribution, and recording, is not to be taken into account in the determination of whether the retailer is required to collect use tax. Paragraph (a) shall be construed without regard to the state from which distribution of the materials originated or in which they were prepared.

(c) A retailer not maintaining a place of business in this state shall be presumed, subject to rebuttal, to be engaged in regular

solicitation within this state if it engages in any of the activities in paragraph (a) and (1) makes 100 or more retail sales from outside this state to destinations within this state during a period of 12 consecutive months, or (2) makes ten or more retail sales totaling more than $100,000 from outside this state to destinations within this state during a period of 12 consecutive months.

(d) A retailer not maintaining a place of business in this state shall not be required to collect use tax imposed by any local governmental unit or subdivision of this state and this section does not subject such a retailer to any regulation of any local unit of government or subdivision of this state. This paragraph does not apply to the tax imposed under section 297A.021.

Sec. 12. Minnesota Statutes 1990, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Minnesota center for arts education, and ~~political subdivisions of the state~~ school districts are exempt. Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, paragraph (f), but do not include sales under section 297A.01, subdivision 3, paragraph (j), clause (vii). Sales to hospitals and nursing homes owned and operated by political subdivisions of the state are exempt under this subdivision. The purchase of books, periodicals, and other publications by libraries owned and operated by political subdivisions of the state are exempt under this subdivision. This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities. This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for leases entered into by the United States or its agencies or instrumentalities.

Sec. 13. Minnesota Statutes 1991 Supplement, section 297A.25, subdivision 12, as amended by Laws 1992, chapter 363, article 1, section 19, subdivision 1, is amended to read:

Subd. 12. [OCCASIONAL SALES.] (a) The gross receipts from the

isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale are exempt.

(b) This exemption does not apply to sales of tangible personal property primarily used in a trade or business unless (1) the sale occurs in a transaction subject to or described in section 118, 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, or 1033 of the Internal Revenue Code of 1986, as amended through December 31, 1990; (2) the sale is between members of ~~an affiliated~~ a controlled group as defined in section ~~1504(a)~~ 1563(a) of the Internal Revenue Code of 1986, as amended through December 31, 1990; (3) the sale is a sale of farm machinery; (4) the sale is a farm auction sale; ~~or~~ (5) the sale is a sale of substantially all of the assets of a trade or business ~~conducted by an individual or by a partnership all of the partners of which are individuals~~; or (6) the total amount of gross receipts from the sale of trade or business property made during the calendar month of the sale and the preceding 11 calendar months does not exceed $5,000.

(c) For purposes of this subdivision, the following terms have the meanings given.

(1) A "farm auction" is a public auction conducted by a licensed auctioneer if substantially all of the property sold consists of property used in the trade or business of farming and property not used primarily in a trade or business.

(2) "Trade or business" includes the assets of a separate division, branch, or identifiable segment of a trade or business if, before the sale, the income and expenses attributable to the separate division, branch, or identifiable segment could be separately ascertained from the books of account or record (the lease or rental of an identifiable segment does not qualify for the exemption).

(3) A "sale of substantially all of the assets of a trade or business" must occur as a single transaction or a series of related transactions occurring within the 12-month period beginning on the date of the first sale of assets intended to qualify for the exemption provided in paragraph (b), clause (5).

Sec. 14. Minnesota Statutes 1990, section 297A.25, subdivision 45, is amended to read:

Subd. 45. [SHIPS USED IN INTERSTATE COMMERCE.] The gross receipts from sales of, and use, storage, or consumption of:

(1) repair, replacement, and rebuilding parts and materials, and

lubricants, for ships or vessels used or to be used principally in interstate or foreign commerce; and

(2) vessels with a gross registered tonnage of at least 3,000 tons are exempt.

Sec. 15. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 47. [WIND ENERGY CONVERSION SYSTEMS.] The gross receipts from the sale of wind energy conversion systems, as defined in section 216C.06, subdivision 12, and the materials used to install, construct, repair, or replace them are exempt if the systems are installed after January 1, 1992, and are used as an electric power source.

Sec. 16. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 48. [PHOTOVOLTAIC DEVICES.] The gross receipts from the sale of photovoltaic devices and the materials used to install, construct, repair, or replace them are exempt if the devices are installed after January 1, 1992, and are used as an electric power source. For purposes of this section, "photovoltaic device" means a system of components that generates electricity from incident sunlight by means of the photovoltaic effect, whether or not the device is able to store the energy produced for later use.

Sec. 17. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 49. [AIR COOLING EQUIPMENT.] The gross receipts from the sale of equipment used for air cooling are exempt, if the equipment is purchased for conversion or replacement of an existing groundwater based once-through cooling system as required under section 103G.271, subdivision 5.

Sec. 18. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 50. [CONSTRUCTION MATERIALS FOR RECYCLING FACILITIES.] Construction materials and supplies are exempt from the tax imposed under this chapter, regardless of whether purchased by the owner or a contractor, subcontractor, or builder, if:

(1) the materials and supplies are used or consumed in constructing a new facility which reduces the flow of solid waste by creating a market for recycled office waste;

(2) the recycling process produces pulp or paper from high-grade office waste; and

(3) the total capital investment made within a four-year period for construction of the facility exceeds $50,000,000.

Sec. 19. Minnesota Statutes 1990, section 297B.01, subdivision 8, is amended to read:

Subd. 8. "Purchase price" means the total consideration valued in money for a sale, whether paid in money or otherwise, provided however, that when a motor vehicle is taken in trade as a credit or as part payment on a motor vehicle taxable under Laws 1971, chapter 853, the credit or trade-in value allowed by the person selling the motor vehicle shall be deducted from the total selling price to establish the purchase price of the vehicle being sold and the trade-in allowance allowed by the seller shall constitute the purchase price of the motor vehicle accepted as a trade-in. The purchase price in those instances where the motor vehicle is acquired by gift or by any other transfer for a nominal or no monetary consideration shall also include the average value of similar motor vehicles, established by standards and guides as determined by the motor vehicle registrar. The purchase price in those instances where a motor vehicle is manufactured by a person who registers it under the laws of this state shall mean the manufactured cost of such motor vehicle and manufactured cost shall mean the amount expended for materials, labor and other properly allocable costs of manufacture, except that in the absence of actual expenditures for the manufacture of a part or all of the motor vehicle, manufactured costs shall mean the reasonable value of the completed motor vehicle.

The term "purchase price" shall not include the portion of the value of a motor vehicle due solely to modifications necessary to make the motor vehicle handicapped accessible. The term "purchase price" shall not include the transfer of a motor vehicle by way of gift between a husband and wife or parent and child, nor shall it include the transfer of a motor vehicle by a guardian to a ward when there is no monetary consideration and the title to such vehicle was registered in the name of the guardian, as guardian, only because the ward was a minor. There shall not be included in "purchase price" the amount of any tax imposed by the United States upon or with respect to retail sales whether imposed upon the retailer or the consumer.

Sec. 20. Laws 1990, chapter 604, article 6, section 11, is amended to read:

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 3 are effective for sales after June 30, 1990.

Section 4 is effective for sales after December 31, 1983. The provisions of Minnesota Statutes, section 297A.35, apply to refunds claimed under section 4.

Section 5 is effective for transactions occurring on or after December 1, 1989.

Sections 6 to 8 are effective February 1, 1990. Any tax increase adopted by action of a city council after February 1, 1990, under Minnesota Statutes, section 469.190, that results in a tax rate that exceeds three percent is ineffective the day following final enactment of this act.

Section 9 is effective the day following final enactment.

Section 10 is effective ~~the day following final enactment, but only if the legislature authorizes the issuance of bonds for the construction of the facility during its 1990 session~~ upon compliance by the governing body of the city of Roseville with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 21. [BROOKLYN CENTER; LOCAL LIQUOR AND RESTAURANT TAX.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding Minnesota Statutes, section 477A.016, or any other law, the city of Brooklyn Center may by ordinance, impose a tax of one percent on the gross receipts on (1) retail on-sales of intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor establishments and municipal liquor stores within the city, and (2) all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment within the city.

Subd. 2. [USE OF REVENUES.] Revenues received from taxes authorized under subdivision 1 must be used by the city to pay the cost of collecting the tax, and, to fund local police services and to fund approved housing projects and redevelopment projects. For the purposes of this section "housing project" and "redevelopment project" shall have the meaning defined in Minnesota Statutes, section 469.002.

Subd. 3. [REVERSE REFERENDUM.] If the city council intends to exercise the authority provided by this section, it shall pass a resolution stating the fact before July 1 of a calendar year. The resolution must be published for two consecutive weeks in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for public hearing on the matter. The hearing must be held at least two weeks but not more than four weeks after the first publication of the resolution. Following the public hearing, the city

may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution must also be published in the official newspaper, in a newspaper of general circulation in the city. If, within 30 days after publication of the resolution, a petition signed by voters equal in number to ten percent of the voters cast in the city in the last general election requesting a vote on the proposed resolution, is filed with the county auditor, the resolution is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election.

Subd. 4. [COLLECTION.] The city may agree with the commissioner of revenue that a tax imposed pursuant to this section shall be collected by the commissioner together with the tax imposed by Minnesota Statutes, chapter 297A, and subject to the same interest, penalties, and other rules and that its proceeds, less the cost of collection, shall be remitted to the city.

Subd. 5. [LOCAL APPROVAL.] This section is effective upon compliance by the governing body of the city of Brooklyn Center with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 22. [SALES TAX EXEMPTION.]

Subdivision 1. [EXEMPTION.] Machinery and equipment, regardless of whether it was purchased by the owner, contractor, subcontractor, or builder, qualifies for the exemption under Minnesota Statutes 1990, section 297A.257, subdivision 2, if the purchase meets the other requirements of that section.

Subd. 2. [REFUNDS.] The commissioner of revenue shall pay refunds of the tax exempted by subdivision 1 to the owner operator of the facility upon filing of proof that the tax was paid by the contractor. An amount sufficient to pay the refunds is appropriated to the commissioner from the general fund.

Sec. 23. [CITY OF ELY; SALES TAX.]

Subdivision 1. [SALES TAX AUTHORIZED.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Ely may, by ordinance, impose an additional sales and use tax of up to one percent on sales transactions taxable under Minnesota Statutes, chapter 297A, that occur within the city.

Subd. 2. [EXCISE TAX.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Ely may by ordinance impose an excise tax

of up to $20 per motor vehicle, as defined by ordinance, purchased or acquired from any person engaged within the city in the business of selling motor vehicles at retail.

Subd. 3. [USE OF REVENUES.] Revenues received from taxes authorized by subdivisions 1 and 2 must be used by the city to pay the cost of collecting the tax and to pay all or a portion of the expenses of constructing, operating, promoting, and developing of facilities as part of a community revitalization project in Ely known as the Ely Wilderness Gateway project. Authorized expenses include, but are not limited to, acquiring property and paying relocation expenses related to the development of the Wilderness Gateway project and related facilities, securing or paying debt service on bonds or other obligations issued to finance the construction of Wilderness Gateway and related facilities, operating expenses of facilities and attractions, and operations to promote and develop the project as described in a strategic plan approved under subdivision 8. For purposes of this section, "Ely Wilderness Gateway and related facilities" means a convention center, amphitheater, interpretive center, Gateway linkage facility, exhibits and program components, furnishings and equipment, tourist center, cottage industry center, wildlife enclosures, tourist attractions, museum, educational facilities and links to municipal campgrounds and all publicly owned real or personal property adjacent to the project area that the governing body of the city determines will be necessary to facilitate the use of these facilities, including but not limited to parking, skyways, pedestrian bridges, lighting, educational and recreational trails, and landscaping. The total capital, administrative, and operating expenditures payable from bond proceeds and revenues shall not exceed $20,000,000 for Ely Wilderness Gateway and related facilities.

Subd. 4. [EXPIRATION OF TAXING AUTHORITY AND EXPENDITURE LIMITATION.] The taxes imposed under subdivisions 1 and 2 terminate on the first day of the second month after a determination by the city council that sufficient funds have been received from the taxes to finance capital, administrative, and operating costs of $20,000,000 for the Ely Wilderness Gateway and related facilities and to prepay or retire at maturity the principal, interest, and premium due on any bonds issued for the improvements. Any funds remaining after completion of the improvements and retirement or redemption of the bonds may be placed in the general fund of the city.

Subd. 5. [BONDS.] The city of Ely may issue general obligation bonds of the city in an amount not to exceed $20,000,000 for Ely Wilderness Gateway and related facilities, without election under Minnesota Statutes, chapter 475, on the question of issuance of the bonds or a tax to pay them. The debt represented by bonds issued for Ely Wilderness Gateway and related facilities shall not be included in computing any debt limitations applicable to the city of Ely, and

the levy of taxes required by Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the city.

Subd. 6. [REFERENDUM.] If the Ely city council intends to exercise the authority provided by this section, it shall conduct a referendum on the issue. The question of imposing the tax must be submitted to the voters at a general or special election. The tax may not be imposed unless a majority of votes cast on the question of imposing the tax are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, 1992. This subdivision applies notwithstanding any city charter provision to the contrary.

Subd. 7. [ENFORCEMENT; COLLECTION; ADMINISTRATION OF TAXES.] The city of Ely may agree with the commissioner of revenue that a sales tax imposed under this section be reported and paid to the commissioner of revenue with the state sales taxes, and be subject to the same penalties, interest, and enforcement provisions. The proceeds of the tax, less refunds and a proportionate share of the cost of collection, shall be remitted at least quarterly to the city. The commissioner shall deduct from the proceeds remitted an amount that equals the indirect statewide cost as well as the direct and indirect department costs necessary to administer, audit, and collect the tax. The amount deducted shall be deposited in the state general fund.

Subd. 8. [APPROVAL OF PLANS.] A nine-member citizens committee is established. The committee shall review and, by majority vote, approve or reject strategic plans relating to the Ely Wilderness Gateway for the city of Ely. The committee shall be appointed by the Ely city council as provided under Minnesota Statutes, section 15.059, subdivisions 2 and 4. The committee shall be composed of two members of the Ely chamber of commerce, two members of the Ely area tourist board, two members of the Ely area development council, two members of the Ely city council, and one representative of a joint powers agreement between Ely and another local government.

Subd. 9. [LOCAL APPROVAL; EFFECTIVE DATE.] This section is effective the day after final enactment, upon compliance with Minnesota Statutes, section 645.021, subdivision 3, by the city of Ely.

Sec. 24. [CITY OF THIEF RIVER FALLS; SALES TAX.]

Subdivision 1. [SALES TAX AUTHORIZED.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Thief River Falls

may, by ordinance, impose an additional sales and use tax of up to one-half of one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city.

Subd. 2. [EXCISE TAX.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Thief River Falls may by ordinance impose an excise tax of up to $20 per motor vehicle, as defined by ordinance, purchased or acquired from any person engaged within the city in the business of selling motor vehicles at retail.

Subd. 3. [USE OF REVENUES.] Revenues received from taxes authorized by subdivisions 1 and 2 must be used by the city to pay the cost of collecting the tax and to pay all or a portion of the expenses of constructing, operating, promoting, and developing of facilities as part of a community revitalization project in Thief River Falls known as the Area Recreation-Convention Facilities. Authorized expenses include, but are not limited to, acquiring property and paying relocation expenses related to the development of the Area Recreation-Convention Facilities and related facilities, securing or paying debt service on bonds or other obligations issued to finance the construction of the Area Recreation-Convention Facilities and related facilities, operating expenses of facilities and attractions, and operations to promote and develop the project as described in a strategic plan approved under subdivision 8. For purposes of this section, "Area Recreation-Convention Facilities" means sports arena-convention facilities and athletic complex renovation and improvements, recreational swimming facilities, river beautification and reservoir management, tourist park expansion, River Walk facilities, Depot acquisition and preservation, youth activities facility, and related furnishings and equipment. The total capital, administrative, and operating expenditures payable from bond proceeds and revenues shall not exceed $15,000,000 for the Thief River Falls Area Recreation-Convention Facilities and related facilities.

Subd. 4. [EXPIRATION OF TAXING AUTHORITY AND EXPENDITURE LIMITATION.] The taxes imposed under subdivisions 1 and 2 terminate on the first day of the second month after a determination by the city council that sufficient funds have been received from the taxes to finance capital, administrative, and operating costs of $15,000,000 for the Area Recreation-Convention Facilities and related facilities and to prepay or retire at maturity the principal, interest, and premium due on any bonds issued for the improvements. Any funds remaining after completion of the improvements and retirement or redemption of the bonds may be placed in the general fund of the city. The taxes imposed under subdivisions 1 and 2 expire at an earlier time if the city, by ordinance, so determines, provided that sufficient funds have been received to finance obligations already incurred for the Area Recreation-Convention Facilities.

Subd. 5. [BONDS.] The city of Thief River Falls may issue general obligation bonds of the city in an amount not to exceed $15,000,000 for the Area Recreation-Convention Facilities, without election under Minnesota Statutes, chapter 475, on the question of issuance of the bonds or a tax to pay them. The debt represented by bonds issued for the Area Recreation-Convention Facilities and related facilities shall not be included in computing any debt limitations applicable to the city of Thief River Falls, and the levy of taxes required by Minnesota Statutes, section 475.61, to pay principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the city.

Subd. 6. [REFERENDUM.] If the Thief River Falls city council intends to exercise the authority provided by this section, it shall conduct a referendum on the issue. The question of imposing the tax must be submitted to the voters at a general or special election. The tax may not be imposed unless a majority of votes cast on the question of imposing the tax are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, 1992. This subdivision applies notwithstanding any city charter provision to the contrary.

Subd. 7. [ENFORCEMENT; COLLECTION; ADMINISTRATION OF TAXES.] The city of Thief River Falls may agree with the commissioner of revenue that a sales tax imposed under this section be reported and paid to the commissioner of revenue with the state sales taxes, and be subject to the same penalties, interest, and enforcement provisions. The proceeds of the tax, less refunds and a proportionate share of the cost of collection, shall be remitted at least quarterly to the city. The commissioner shall deduct from the proceeds remitted an amount that equals the indirect statewide cost as well as the direct and indirect department costs necessary to administer, audit, and collect the tax. The amount deducted shall be deposited in the state general fund.

Subd. 8. [APPROVAL OF PLANS.] A representative, advisory citizens committee of not less than nine members is established. The committee shall review and, by majority vote, approve or reject strategic plans relating to the Area Recreation-Convention Facilities of Thief River Falls. The committee shall be appointed by the Thief River Falls city council as provided under Minnesota Statutes, section 15.059, subdivisions 2 and 4. The committee shall be composed of persons representative of the area.

Subd. 9. [LOCAL APPROVAL; EFFECTIVE DATE.] This section is effective the day after final enactment, upon compliance with Minnesota Statutes, section 645.021, subdivision 3, by the city of Thief River Falls.

Sec. 25. [AITKIN COUNTY; LIQUOR AND RESTAURANT TAX.]

Subdivision 1. [LIQUOR AND RESTAURANT TAX AUTHORIZED.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law or ordinance, the county of Aitkin may, by resolution, impose an additional sales tax of one-half of one percent on the gross receipts on (1) retail on-sales of intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor establishments and municipal liquor stores within the county; and (2) all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment as defined by resolution of the county that occur within the county.

Subd. 2. [USE OF REVENUES.] Revenues received from taxes authorized under subdivision 1 must be used by the county to pay the cost of collecting the tax and to fund a local convention or tourism bureau for the purpose of marketing the county as a tourist or convention center.

Subd. 3. [REVERSE REFERENDUM.] If the Aitkin county board intends to exercise the authority provided by this section, it shall pass a resolution stating the fact before July 1, 1992. The resolution must be published for two consecutive weeks in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for public hearing on the matter. The hearing must be held at least two weeks but not more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution must also be published in the official newspaper, or, if there is no official newspaper, in a newspaper of general circulation in the county. If, within 30 days after publication of the resolution, a petition signed by voters equal in number to ten percent of the voters cast in the county in the last general election requesting a vote on the proposed resolution, is filed with the county auditor, the resolution is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before December 1, 1992.

Subd. 4. [ENFORCEMENT; COLLECTION.] These taxes shall be subject to the same interest, penalties, and other rules imposed under Minnesota Statutes, chapter 297A. The commissioner of revenue may enter into appropriate agreements with the county to provide for collection of these taxes by the state on behalf of the county. The commissioner may charge the county a reasonable fee for its collection from the proceeds of any taxes.

Subd. 5. [LOCAL APPROVAL; EFFECTIVE DATE.] This section is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the county of Aitkin.

Sec. 26. [CITY OF GARRISON; SALES TAX.]

Subdivision 1. [SALES TAX AUTHORIZED.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Garrison may, by ordinance, impose an additional sales tax of up to one-half of one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city.

Subd. 2. [USE OF REVENUES.] Revenues received from taxes authorized under subdivision 1 must be dedicated by the city to pay the cost of collecting the tax and to pay all or part of the expenses of the construction of a sewer system in the city, including payment of principal and interest on loans received by the city to construct the sewer system.

Subd. 3. [EXPIRATION OF TAXING AUTHORITY.] The tax imposed under subdivision 1 terminates on the first day of the second month after a determination by the city council that sufficient funds have been received from the taxes to pay the construction costs of the sewer system, and the principal and interest on any loans received by the city for construction of the improvements. Any funds remaining after completion of the improvements and payment of the loans may be placed in the general fund of the city.

Subd. 4. [ENFORCEMENT; COLLECTION; AND ADMINISTRATION OF TAXES.] The city may agree with the commissioner of revenue that a sales tax imposed under this section be reported and paid to the commissioner of revenue with the state sales taxes, and be subject to the same penalties, interest, and enforcement provisions. The proceeds of the tax, less refunds and a proportionate share of the cost of collection, shall be remitted at least quarterly to the city. The commissioner shall deduct from the proceeds remitted an amount that equals the indirect statewide cost as well as the direct and indirect department costs necessary to administer, audit, and collect the tax. The amount deducted shall be deposited in the state general fund.

Subd. 5. [LOCAL APPROVAL; EFFECTIVE DATE.] This section is effective the day after final enactment, upon compliance with Minnesota Statutes, section 645.021, subdivision 3, by the city of Garrison.

Sec. 27. [CITY OF ROCHESTER; TAXES.]

Subdivision 1. [SALES AND USE TAXES AUTHORIZED.] Not-

withstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance, impose an additional sales tax of up to one-half of one percent on sales transactions taxable under Minnesota Statutes, chapter 297A, that occur within the city and may also, by ordinance, impose an additional compensating use tax of up to one-half of one percent on uses of property within the city, the sale of which would be subject to the additional sales tax but for the fact that the property was sold outside the city.

Subd. 2. [EXCISE TAX AUTHORIZED.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance, impose an excise tax of up to $20 per motor vehicle, as defined by ordinance, purchased or acquired from any person engaged within the city in the business of selling motor vehicles at retail.

Subd. 3. [COLLECTION.] The commissioner of revenue may enter into appropriate agreements with the city of Rochester to provide for collection by the state on behalf of the city of a tax imposed by the city of Rochester pursuant to subdivision 1 or 2. The commissioner may charge the city of Rochester from the proceeds of any tax a reasonable fee for its collection.

Subd. 4. [ALLOCATION OF REVENUES.] Revenues received from taxes authorized by subdivisions 1 and 2 must be used to pay the costs of collecting the taxes, capital and administrative costs of capital improvements for fire station, city hall, and public library facilities for which the city voters at the general election held on November 6, 1990, approved the issuance of general obligation bonds, and to pay debt service on the bonds. The total capital and administrative expenditures payable from bond proceeds and revenues received from the taxes authorized by subdivisions 1 and 2, excluding investment earnings thereon, shall not exceed $28,760,000 for the several purposes.

Subd. 5. [TERMINATION OF TAXES.] The taxes imposed pursuant to subdivisions 1 and 2 shall terminate on the first day of the second month next succeeding a determination by the city council that sufficient funds have been received from the taxes to finance capital and administrative costs of $28,760,000 for improvements for fire station, city hall, and public library facilities and to prepay or retire at maturity the principal, interest, and premium due on any bonds issued for the improvements. Any funds remaining after completion of the improvements and retirement or redemption of the bonds may be placed in the general fund of the city.

Subd. 6. [BONDS.] The city of Rochester, pursuant to the approval of the city voters at the general election held on November 6, 1990, may issue general obligation bonds of the city in an amount not to exceed $28,760,000 for fire station, city hall, and public library

facilities. The debt represented by the bonds shall not be included in computing any debt limitation applicable to the city, and the levy of taxes required by Minnesota Statutes, section 475.61, to pay the principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the city. The amount of any special levy for debt service for payment of principal and interest on the bonds shall not include the amount of estimated collection of revenues from the taxes imposed pursuant to subdivisions 1 and 2 that are pledged for the payment of those obligations.

Subd. 7. [EFFECTIVE DATE.] This section is effective the day after compliance by the governing body of the city of Rochester with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 28. [OCCASIONAL SALES; RETROACTIVE DATE; REFUNDS.]

No refunds of tax may be paid due to the retroactive effective date of section 13 except as provided in this section. A purchaser must file a claim for refund containing the information required in Minnesota Statutes, section 289A.50 and any other information required by the commissioner, including receipts or other proof of payment. A purchaser is considered a taxpayer for purposes of section 289A.50. Notwithstanding section 289A.50, subdivision 2, a vendor who has collected a tax from the purchaser may not claim a refund under this section.

Sec. 29. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 295.367, is repealed.

Sec. 30. [EFFECTIVE DATES.]

Section 1 is effective for tax payments due for sales made after September 30, 1992.

Sections 2 and 3 are effective July 1, 1992, and apply to refunds filed after that date.

Sections 4, 5, 6, 11, 17, and 19 are effective for sales made after June 30, 1992.

Sections 7, 8, 9, 10, 15, and 16 are effective the day following final enactment.

Section 12 is effective for sales made after May 31, 1992.

Section 13 is effective retroactive for sales made after June 30, 1991.

Section 14 is effective retroactive for all open tax years and thereafter.

Section 18 is effective for sales made on or after the date of enactment, but prior to April 1, 1994.

Section 22 is effective for projects begun during the time a county was designated as distressed under Minnesota Statutes, section 297A.257, if the capital equipment was placed in service after August 1, 1990.

Section 29 is effective retroactive for sales made after December 31, 1991.

ARTICLE 4

PROPERTY TAXES, TECHNICAL

Section 1. Minnesota Statutes 1991 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] The commissioner ~~of revenue~~ shall establish the general education tax rate ~~and certify it to the commissioner of education~~ by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax rate shall be the rate that raises $916,000,000 for fiscal year 1993 and $961,800,000 for fiscal year 1994 and later fiscal years. The general education tax rate ~~certified by the commissioner of revenue~~ may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been ~~certified~~ established.

Sec. 2. Minnesota Statutes 1990, section 270.075, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall determine the rate of tax to be levied and collected against the net tax capacity as determined pursuant to section 270.074, subdivision 2, to generate revenues ~~of $7,500,000 from taxes levied in assessment year 1987 and payable in 1988 and revenues of $7,900,000 from taxes levied in 1988 and payable in 1989. Thereafter the legislature shall annually establish the amount of revenue to be generated from a tax on~~ sufficient to fund the airflight property tax portion of each year's state airport fund appropriation, as certified to the commissioner by the commis-

sioner of transportation. The property tax portion of the state airport fund appropriation is the difference between the total fund appropriation and the estimated total fund revenues from other sources for the state fiscal year in which the tax is payable. If a levy amount has not been certified by September 1 of a levy year, the commissioner shall use the last previous certified amount to determine the rate of tax.

Sec. 3. Minnesota Statutes 1991 Supplement, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first $72,000 of market value of class 1a property has a net class rate of one percent of its market value and a gross class rate of 2.17 percent of its market value. For taxes payable in 1992, the market value of class 1a property that exceeds $72,000 but does not exceed $115,000 has a class rate of two percent of its market value; and the market value of class 1a property that exceeds $115,000 has a class rate of 2.5 percent of its market value. For taxes payable in 1993 and thereafter, the market value of class 1a property that exceeds $72,000 has a class rate of two percent.

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or

(4) any person who is permanently and totally disabled and whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

Property is classified and assessed under clause (4) only if the government agency or income-providing source certifies, upon the request of the property owner, that the property owner satisfies the disability requirements of this subdivision.

Property is classified and assessed pursuant to clause (1) only if the commissioner of jobs and training certifies to the assessor that the owner of the property satisfies the requirements of this subdivision.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first $32,000 market value of class 1b property has a net class rate of .45 percent of its market value and a gross class rate of .87 percent of its market value. The remaining market value of class 1b property has a gross or net class rate using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial

purposes for more than ~~225~~ 250 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, which includes a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort or a partner in a partnership that owns the resort, even if the title to the homestead is held by the corporation or partnership. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property, excluding the portion used exclusively as a homestead, is used or available for use for residential occupancy and a fee is charged for residential occupancy. Class 1c property has a class rate of .8 percent of the first $32,000 of market value and one percent of market value in excess of $32,000 for taxes payable in 1992, and one percent of total market value for taxes payable in 1993 and thereafter with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

Sec. 4. Minnesota Statutes 1991 Supplement, section 273.13, subdivision 25, as amended by Laws 1992, chapter 363, article 1, section 12, subdivision 1, is amended to read:

Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property has a class rate of 3.5 percent of market value for taxes payable in 1992, and 3.4 percent of market value for taxes payable in 1993 and thereafter.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, and recreational;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b).

Class 4b property has a class rate of 2.8 percent of market value for taxes payable in 1992, 2.5 percent of market value for taxes payable in 1993, and 2.3 percent of market value for taxes payable in 1994 and thereafter.

(c) Class 4c property includes:

(1) a structure that is:

(i) situated on real property that is used for housing for the elderly or for low- and moderate-income families as defined in Title II, as amended through December 31, 1990, of the National Housing Act or the Minnesota housing finance agency law of 1971, as amended, or rules promulgated by the agency and financed by a direct federal loan or federally insured loan made pursuant to Title II of the act; or

(ii) situated on real property that is used for housing the elderly or for low- and moderate-income families as defined by the Minnesota housing finance agency law of 1971, as amended, or rules adopted by the agency pursuant thereto and financed by a loan made by the Minnesota housing finance agency pursuant to the provisions of the act.

This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan.

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building as defined in section 42(c)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1990, that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1990; or (ii) meets the requirements of that section and receives public financing, except financing provided under sections 469.174 to 469.179, which contains terms restricting the rents; or (iii) meets the requirements of section 273.1317. Classification pursuant to this clause is limited to a term of 15 years.

For all properties described in clauses (1), (2), and (3) and in paragraph (d), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents unless the owner of the property elects to have the property

assessed under Laws 1991, chapter 291, article 1, section 55. If the owner of the property elects to have the market value determined on the basis of the actual restricted rents, as provided in Laws 1991, chapter 291, article 1, section 55, the property will be assessed at the rate provided for class 4a or class 4b property, as appropriate. Properties described in clauses (1)(ii), (3), and (4) may apply to the assessor for valuation under Laws 1991, chapter 291, article 1, section 55. The land on which these structures are situated has the class rate given in paragraph (b) if the structure contains fewer than four units, and the class rate given in paragraph (a) if the structure contains four or more units. This clause applies only to the property of a nonprofit or limited dividend entity.

(4) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this clause, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics:

(a) it is a nonprofit corporation organized under chapter 317A;

(b) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws;

(c) it limits membership with voting rights to residents of the designated community; and

(d) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust; and

(5) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used, or available for use for residential

occupancy, and a fee is charged for residential occupancy. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause also includes the remainder of class 1c resorts;

(6) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1990. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or nonintoxicating malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity;

(7) post-secondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus; and

(8) manufactured home parks as defined in section 327.14, subdivision 3.

Class 4c property has a class rate of 2.3 percent of market value, except that, (i) each parcel of seasonal residential recreational property not used for commercial purposes under clause (5) has a class rate of 2.2 percent of market value for taxes payable in 1992,

and for taxes payable in 1993 and thereafter, the first $72,000 of market value on each parcel has a class rate of two percent and the market value of each parcel that exceeds $72,000 has a class rate of 2.5 percent, and (ii) manufactured home parks assessed under clause (8) have a class rate of two percent for taxes payable in 1993 only.

(d) Class 4d property includes:

(1) a structure that is:

(i) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the Farmers Home Administration;

(ii) located in a municipality of less than 10,000 population; and

(iii) financed by a direct loan or insured loan from the Farmers Home Administration. Property is classified under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

The class rates in paragraph (c), clauses (1), (2), and (3) and this clause apply to the properties described in them, only in proportion to occupancy of the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. Classification under this clause is only available to property of a nonprofit or limited dividend entity.

(2) For taxes payable in 1992, 1993 and 1994, only, buildings and appurtenances, together with the land upon which they are located, leased by the occupant under the community lending model lease-purchase mortgage loan program administered by the Federal National Mortgage Association, provided the occupant's income is no greater than 60 percent of the county or area median income, adjusted for family size and the building consists of existing single family or duplex housing. The lease agreement must provide for a portion of the lease payment to be escrowed as a nonrefundable down payment on the housing. To qualify under this clause, the taxpayer must apply to the county assessor by May 30 of each year. The application must be accompanied by an affidavit or other proof required by the assessor to determine qualification under this clause.

~~(3) For taxes payable in 1992, 1993 and 1994, only, federally acquired buildings under four units and appurtenances, together with the land upon which they are located that is leased to a~~

~~nonprofit corporation organized under chapter 317A that qualifies for tax exempt status under United States Code, title 26, section 501(c), or a housing and redevelopment authority authorized under sections 469.001 to 469.047; the purpose of the lease must be to allow the nonprofit corporation to provide transitional housing for homeless persons under the program established in Code of Federal Regulations, title 55, section 49489. As used in this clause, "transitional housing" has the meaning given in section 268.38, subdivision 1, except that the two-year restriction does not apply. If the property is purchased from the federal government by the nonprofit corporation for the purpose of continuing to provide transitional housing after the expiration of the lease, the property shall continue to be eligible for this classification. To qualify under this clause, the taxpayer must apply to the county assessor by May 30 of each year. The application must be accompanied by an affidavit or other proof required by the county assessor to determine qualification under this clause. Property qualifying under this clause in 1992, 1993, or 1994 continues to receive a two percent class rate until the five-year lease has expired provided that the property continues to be used for the purposes as described in this clause.~~

Class 4d property has a class rate of two percent of market value.

(e) Residential rental property that would otherwise be assessed as class 4 property under paragraph (a); paragraph (b), clauses (1) and (3); paragraph (c), clause (1), (2), (3), or (4), is assessed at the class rate applicable to it under Minnesota Statutes 1988, section 273.13, if it is found to be a substandard building under section 273.1316. Residential rental property that would otherwise be assessed as class 4 property under paragraph (d) is assessed at 2.3 percent of market value if it is found to be a substandard building under section 273.1316.

Sec. 5. Minnesota Statutes 1990, section 273.135, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1990 and subsequent years, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction for each homestead resulting from this credit be less than $10.

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is

outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction for each homestead resulting from this credit be less than $10.

(c) The maximum reduction of the tax is $225.40 on property described in clause (a) and $200.10 on property described in clause (b), for taxes payable in 1985. These maximum amounts shall increase by $15 times the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

For the purposes of this subdivision, "homestead credit equivalency percentage" means one minus the ratio of the net class rate to the gross class rate applicable to the first ~~$68,000~~ $72,000 of the market value of residential homesteads, "effective tax rate" means tax divided by the market value of a property, and the "base year effective tax rate" means the payable 1988 tax on a property with an identical market value to that of the property receiving the credit in the current year after the application of the credits payable under Minnesota Statutes 1988, section 273.13, subdivisions 22 and 23, and this section, divided by the market value of the property.

Sec. 6. Minnesota Statutes 1991 Supplement, section 273.1398, subdivision 7, is amended to read:

Subd. 7. [APPROPRIATION.] An amount sufficient to pay the aids and credits provided under this section for school districts, intermediate school districts, or any group of school districts levying as a single taxing entity is annually appropriated from the general fund to the commissioner of ~~revenue~~ education.

Sec. 7. Minnesota Statutes 1991 Supplement, section 273.1399, is amended to read:

273.1399 [REDUCTION IN STATE TAX INCREMENT FINANCING AID.]

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

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

(1) the captured net tax capacity of a new or the expanded part of

an existing economic development or soils condition tax increment financing district, other than a qualified manufacturing district, for which certification was requested after April 30, 1990;

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

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

(3) the captured net tax capacity of a new or the expanded part of an existing tax increment financing district, other than an economic development or soils condition district, for which certification was requested after April 30, 1990, multiplied by the following percentage based on the number of years that have elapsed since the ~~district was first certified (measured from January 2 immediately preceding certification~~ assessment year of the original net tax capacity~~)~~. In no case may the final amounts be less than zero or greater than the total captured net tax capacity of the district.

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

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

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

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

Subd. 2. [REPORTING.] The county auditor shall calculate the qualifying captured net tax capacity amount for each municipal part of each school district in the county and report the amounts to the commissioner of revenue at the time and in the manner prescribed by the commissioner.

Subd. 3. [CALCULATION OF EDUCATION AIDS.] For each school district containing qualifying captured net tax capacity, the commissioner of education shall compute a hypothetical state aid amount that would be paid to the school district if the qualifying captured net tax capacity were divided by the sales ratio and included in the school district's adjusted tax capacity for purposes of calculating equalized levies as defined in section 273.1398, subdivision 2a, and associated state aids. The commissioner of education shall notify the commissioner of revenue of the difference between the actual aid paid and the hypothetical aid amounts calculated for each school district, broken down by the municipality that approved the tax increment financing district containing the qualifying captured net tax capacity. The resulting amount is the reduction in state tax increment financing aid.

Subd. 4. [EQUALIZATION FACTOR.] The amount of the reduction in state tax increment financing aid equals the amount determined under subdivision 3 less

(1) 75 percent of the excess, if any, of the amount determined under subdivision 3, over

(2) .05 times the municipality's net tax capacity, divided by the sales ratio.

Subd. 5. [LOCAL GOVERNMENT AIDS; HOMESTEAD AND

AGRICULTURAL AID CALCULATIONS.] (a) The reduction in state tax increment financing aid for a municipality must be deducted first from the local government aids to be paid to the municipality. If the deduction exceeds the amount of the local government aid, the rest must be deducted from the homestead and agricultural credit aid to be paid to the municipality.

(b) The amount of qualifying captured net tax capacity must be included in adjusted net tax capacity for purposes of computing the local government aid of the municipality that approved the tax increment financing district.

Sec. 8. Minnesota Statutes 1990, section 274.20, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) ~~The term "total gross taxes" means the total gross taxes levied on manufactured homes assessed pursuant to section 274.19 in a unique taxing jurisdiction as defined in section 273.1398 before reduction by any credits for taxes in 1989. For aid payable in 1991 and subsequent years total gross taxes for 1989 shall be multiplied by the cost of living adjustment factor as defined in section 273.1398.~~

~~(b) "Local tax rate" means the total local tax rate for taxes payable in 1989 within a unique taxing jurisdiction.~~

~~(c) "Total net tax capacity" means the net tax capacities as defined in section 273.1398 of all manufactured homes assessed pursuant to section 274.19 except the market value used shall be for the assessment one year prior to that in which aid is payable.~~

~~(d) "Subtraction factor" means the product of (i) a unique taxing jurisdiction's local tax rate; (ii) its total net tax capacity; and (iii) 0.9767.~~ "Current local tax rate" has the meaning given in section 273.1398, subdivision 1.

(b) "Growth adjustment factor" means the growth adjustment factor used in the calculation of homestead and agricultural credit aid for the year preceding that in which the manufactured home homestead and agricultural credit aid is payable.

(c) "Net tax capacity" means the product of (1) the appropriate net class rates for the year in which the aid is payable, except that for aids payable in 1993 the class rate applicable to class 4a shall be 3.5 percent; and the class rate applicable to class 4b shall be 3.5 percent; and for aid payable in 1994 the class rate applicable to class 4b shall be 2.4 percent, and (2) estimated market values of manufactured homes assessed under section 274.19 for the assessment one year prior to that in which the aid is payable. "Total net tax capacity" means the net tax capacities for all manufactured homes within the

taxing district assessed under section 274.19. Net tax capacity cannot be less than zero.

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

(e) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values of manufactured homes assessed under section 274.19 for the assessment one year prior to that in which the aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all manufactured homes within the taxing district assessed under section 274.19. Previous net tax capacity cannot be less that zero.

(f) "Unique taxing jurisdiction" has the meaning given in section 273.1398, subdivision 1.

Sec. 9. Minnesota Statutes 1990, section 274.20, subdivision 2, is amended to read:

Subd. 2. [MANUFACTURED HOME HOMESTEAD AND AGRICULTURAL CREDIT AID.] For each calendar year, the manufactured home homestead and agricultural credit aid for each unique taxing jurisdiction equals ~~total gross taxes minus~~ the unique taxing jurisdiction's ~~subtraction factor~~ certified manufactured home homestead and agricultural credit aid determined under this subdivision for the preceding aid payable year times the growth adjustment factor for the jurisdiction plus the net tax capacity adjustment for the jurisdiction. The aid shall be allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's gross taxes bear to the total gross taxes.

Sec. 10. Minnesota Statutes 1991 Supplement, section 275.065, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC ADVERTISEMENT.] (a) A city that has a population of more than 1,000, county, or school district shall advertise in a newspaper a notice of its intent to adopt a budget and property tax levy or, in the case of a school district, to review its current budget and proposed property taxes payable in the following year, at a public hearing. The notice must be published not less than two business days nor more than six business days before the hearing.

For a city that has a population of more than 1,000 but less than 2,500 the advertisement must be at least one-eighth page in size of a standard-size or a tabloid-size newspaper, ~~and~~. The ~~headlines~~ first

headline in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 14-point, and the second headline must be in a type no smaller than 12-point. The text of the advertisement must be no smaller than ~~12-point~~ 10-point, except that the property tax amounts and percentages may be in ~~10-point~~ 9-point type.

For a city that has a population of 2,500 or more, a county or a school district, the advertisement must be at least one-quarter page in size of a standard-size or a tabloid-size newspaper; ~~and~~. The ~~headlines~~ first headline in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 30-point, and the second headline must be in a type no smaller than 22-point. The text of the advertisement must be no smaller than ~~22-point~~ 14-point, except that the property tax amounts and percentages may be in ~~14-point~~ 12-point type.

The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in an official newspaper of general circulation in the taxing authority. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter. The advertisement must appear in a newspaper that is published at least once per week.

(b) The advertisement must be in the following form, except that the notice for a school district may include references to the current budget in regard to proposed property taxes.

"NOTICE OF

PROPOSED PROPERTY TAXES

(City/County/School District) of .....

The governing body of ..... will soon hold budget hearings and vote on the property taxes for (city/county services that will be provided in 199__/school district services that will be provided in 199__ and 199__).

The property tax amounts below compare current (city/county/school district) property taxes and the property taxes that would be collected in 199__ if the budget now being considered is approved.

199__ Property Taxes	Proposed 199__ Property Taxes	199__ Increase or Decrease
$.....	$.....	.....%

NOTICE OF PUBLIC HEARING:

All concerned citizens are invited to attend a public hearing and express their opinions on the proposed (city/county/school district) budget and property taxes, or in the case of a school district, its current budget and proposed property taxes, payable in the following year. The hearing will be held on (Month/Day/Year) at (Time) at (Location, Address).

A continuation of the hearing, if necessary, will be held on (Month/Day/Year) at (Time) at (Location, Address).

Written comments may be directed to (Address)."

(c) A city with a population of 1,000 or less must advertise by posted notice as defined in section 645.12, subdivision 1. The advertisement must be posted at the time provided in paragraph (a). It must be in the form required in paragraph (b).

(d) For purposes of this subdivision, the population of a city is the most recent population as determined by the state demographer under section 116K.04, subdivision 4.

Sec. 11. Minnesota Statutes 1991 Supplement, section 275.125, subdivision 5, is amended to read:

Subd. 5. [BASIC TRANSPORTATION LEVY.] Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation tax rate times the adjusted net tax capacity of the district for the preceding year. The commissioner of ~~revenue~~ education shall establish the basic transportation tax rate and certify it to the commissioner of ~~education~~ revenue by July 1 of each year for levies payable in the following year. The basic transportation tax rate shall be a rate, rounded up to the nearest hundredth of a percent, that, when applied to the adjusted net tax capacity of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation tax rate for transportation shall be the rate that raises $64,300,000 for fiscal year 1993 and $68,000,000 for fiscal year 1994 and subsequent fiscal years. The basic transportation tax rate certified by the commissioner of ~~revenue~~ education must not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been certified.

Sec. 12. Minnesota Statutes 1991 Supplement, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly,

or unequally assessed in comparison with other property in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class, the portion of the county excluding the first class city, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving one copy of a petition for such determination upon the county auditor, one copy on the county attorney, one copy on the county treasurer, and three copies on the county assessor. ~~In counties where the office of county treasurer has been combined with the office of county auditor, the petitioner must serve the number of copies required by the county. The petitioner must file the copies with proof of service, in the office of the court administrator of the district court before the 16th day of May of the year in which the tax becomes payable.~~ The county assessor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be forwarded by the assessor to the school board of the school district in which the property is located.

In counties where the office of county treasurer has been combined with the office of county auditor, the county may elect to require the petitioner to serve the number of copies as determined by the county. The county assessor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A list of petitioned properties, including the name of the petitioner, the identification number of the property, and the estimated market value, shall be sent on or before the first day of July by the county auditor/treasurer to the school board of the school district in which the property is located.

For all counties, the petitioner must file the copies with proof of service in the office of the court administrator of the district court before the 16th day of May of the year in which the tax becomes payable. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to May 16 of the year in which the taxes are payable.

Sec. 13. Minnesota Statutes 1990, section 278.01, subdivision 2, is amended to read:

Subd. 2. [HOMESTEADS.] Any person having any estate, right, title or interest in or lien upon any parcel which is classified as

homestead under the provisions of section 273.13, subdivision 22 or 23, who claims that said parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class, in that portion of the county in which that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real estate assessment/sales ratio study published by the commissioner of revenue, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving ~~two copies~~ one copy of a petition for such determination upon the county auditor ~~and~~, one copy each on the county treasurer and the county attorney, and ~~filing the same, with proof of such service, in the office of the court administrator of the district court before the 16th day of May of the year in which such tax becomes payable~~ three copies on the county assessor. The county ~~auditor~~ assessor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be ~~sent~~ forwarded by the assessor to the school board of the school district in which the property is located.

In counties where the office of county treasurer has been combined with the office of county auditor, the county may elect to require the petitioner to serve the number of copies as determined by the county. The county assessor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A list of petitioned properties, including the name of the petitioner, the identification number of the property, and the estimated market value, shall be sent on or before the first day of July by the county auditor/treasurer to the school board of the school district in which the property is located.

For all counties, the petitioner must file the copies with proof of service in the office of the court administrator of the district court before the 16th day of May of the year in which the tax becomes payable. A petition for determination under this section may be transferred by the district court to the tax court.

Sec. 14. Minnesota Statutes 1990, section 278.02, is amended to read:

278.02 [PETITION MAY INCLUDE SEVERAL PARCELS.]

Such petition need not be in any particular form, but shall clearly identify the land involved and the assessment date and shall set forth in concise language the claim, defense, or objection asserted.

No petition shall include more than one assessment date. Several parcels of land in or upon which the petitioner has an estate, right, title, interest, or lien may be included in the same petition, but only if they are in the same city or town, except that contiguous property overlapping city or town boundaries may be included in one petition.

Sec. 15. Minnesota Statutes 1991 Supplement, section 279.03, subdivision 1a, is amended to read:

Subd. 1a. [RATE AFTER DECEMBER 31, 1990.] (a) Except as provided in paragraph (b) ~~or (c)~~, interest on delinquent property taxes, penalties, and costs unpaid on or after January 1, 1991, shall be payable at the per annum rate determined in section 270.75, subdivision 5. If the rate so determined is less than ten percent, the rate of interest shall be ten percent. The maximum per annum rate shall be 14 percent if the rate specified under section 270.75, subdivision 5, exceeds 14 percent. The rate shall be subject to change on January 1 of each year.

(b) ~~If a person is the owner of one or more parcels of property on which taxes are delinquent, and the aggregate tax capacity of that property exceeds five percent of the total tax capacity of the school district in which the property is located, interest on the delinquent property taxes, penalties, and costs unpaid after January 1, 1992, shall be payable at twice the rate determined under paragraph (a) for the year.~~

~~(c)~~ If a person is the owner of one or more parcels of property on which taxes are delinquent, and the delinquent taxes are more than 25 percent of the prior year's school district levy, interest on the delinquent property taxes, penalties, and costs unpaid after January 1, 1992, shall be payable at twice the rate determined under paragraph (a) for the year.

Sec. 16. Minnesota Statutes 1991 Supplement, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22; (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a); or (c) seasonal recreational land as defined in section 273.13, subdivision 22, paragraph (c), ~~23, paragraph (c),~~ or 25, paragraph (c), clause (5), for which the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is three years from the date of sale. The period of redemption for all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except homesteaded lands as defined in section 273.13, subdivision 22, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale, except that the period of redemption for nonhomesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (b), shall be two years from the date of sale if at that time that property is owned by a person who owns one or more parcels of property on which taxes are delinquent, and ~~(1) the aggregate tax capacity of that property exceeds five percent of the total tax capacity of the school district in which the property is located, or (2)~~ the delinquent taxes are more than 25 percent of the prior year's school district levy.

Sec. 17. Minnesota Statutes 1990, section 282.09, subdivision 1, is amended to read:

Subdivision 1. [MONEY PLACED IN FUND.] The county auditor and county treasurer shall place all money received through the operation of sections 282.01 to 282.13 in a fund to be known as the forfeited tax sale fund and all disbursements and costs shall be charged against that fund, when allowed by the county board. Members of the county board may be paid a per diem pursuant to section 375.055, subdivision 1, and reimbursed for their necessary expenses, and may receive mileage as fixed by law. Compensation of a land commissioner and assistants, if a land commissioner is appointed, shall be in the amount determined by the county board. The county auditor shall receive 50 cents for each certificate of sale, each contract for deed and each lease executed by the auditor, and, in counties where no land commissioner is appointed, additional annual compensation, not exceeding $300, as fixed by the county board. Compensation of any other clerical help that may be needed by the county auditor or land commissioner shall be in the amount determined by the county board. All compensation provided for herein shall be in addition to other compensation allowed by law. Fees so charged in addition to the fee imposed in section 282.014 shall be included in the annual settlement by the county auditor as hereinafter provided. On or before February 1 each year, the commissioner of revenue shall certify to the commissioner of finance, by counties, the total number of state deeds issued and reissued during the preceding calendar year for which such fees are charged and the total amount thereof. On or before March 1 each year, each county shall remit to the commissioner of revenue, from the forfeited tax sale fund, the aggregate amount of the fees imposed by section

282.014 in the preceding calendar year. The commissioner of revenue shall deposit the amounts received in the state treasury to the credit of the general fund. When disbursements are made from the fund for repairs, refunds, expenses of actions to quiet title, or any other purpose which particularly affects specific parcels of forfeited lands, the amount of such disbursements shall be charged to the account of the taxing districts interested in such parcels. The county auditor shall make an annual settlement of the net proceeds received from sales and rentals by the operation of sections 282.01 to 282.13, on the settlement day determined in section 276.09, for the preceding calendar year.

Sec. 18. Minnesota Statutes 1990, section 282.36, is amended to read:

282.36 [FEES PAYABLE ~~TO~~ BY REPURCHASER.]

Any person repurchasing land after forfeiture to the state for nonpayment of taxes under the provisions of a repurchase law shall at the time the certificate of repurchase is issued and recorded by the county auditor or before receiving quitclaim deed pursuant thereto, pay to the county treasurer a fee ~~of $3~~ in an amount equal to the fee provided in section 282.014. Fees so collected during any calendar year shall be credited to a special fund and, upon a warrant issued by the county auditor on or before March 1 of the year following, shall be remitted to the ~~state treasurer~~ commissioner of revenue and credited to the general fund. The commissioner of revenue shall, on or before February 1 in each year, certify to the ~~state treasurer~~ commissioner of finance the number of deeds issued during the preceding calendar year to which these fees apply, showing by counties the number of deeds so issued and the total fees due therefor. This section shall not apply to repurchases made under any law enacted prior to January 1, 1945.

Sec. 19. Minnesota Statutes 1991 Supplement, section 375.192, subdivision 2, is amended to read:

Subd. 2. Upon written application by the owner of ~~the~~ any property, the county board may grant the reduction or abatement of estimated market valuation or taxes and of any costs, penalties, or interest on them as the board deems just and equitable and order the refund in whole or part of any taxes, costs, penalties, or interest which have been erroneously or unjustly paid. ~~The county board may also grant the abatement of penalties for taxes paid within 30 days of the due date, regardless of the classification of the property.~~ The application must include the social security number of the applicant. The social security number is private data on individuals as defined by section 13.02, subdivision 12. ~~The application~~ All applications must be approved by the county assessor, or, if the property is located in a city of the first or second class having a city assessor, by the city assessor, and by the county auditor before consideration

by the county board. ~~If~~, except that the part of the application which is for the abatement of penalty or interest, ~~the application~~ must be approved by the county treasurer and county auditor. Approval by the county or city assessor is not required for abatements of penalty or interest. No reduction, abatement, or refund of any special assessments made or levied by any municipality for local improvements shall be made unless it is also approved by the board of review or similar taxing authority of the municipality. Before taking action on any reduction or abatement where the reduction of taxes, costs, penalties, and interest exceed $10,000, the county board shall give 20 days' notice to the school board and the municipality in which the property is located. The notice must describe the property involved, the actual amount of the reduction being sought, and the reason for the reduction. If the school board or the municipality object to the granting of the reduction or abatement, the county board must refer the abatement or reduction to the commissioner of revenue with its recommendation. The commissioner shall consider the abatement or reduction under section 270.07, subdivision 1.

An appeal may not be taken to the tax court from any order of the county board made in the exercise of the discretionary authority granted in this section.

Sec. 20. Minnesota Statutes 1991 Supplement, section 423A.02, subdivision 1a, is amended to read:

Subd. 1a. [SUPPLEMENTARY AMORTIZATION STATE AID.] In addition to the amortization state aid under subdivision 1, there is a distribution of supplementary amortization state aid among those ~~local police and salaried firefighters relief associations~~ municipalities that receive amortization state aid under subdivision 1. The amount of the distribution is that proportion of the appropriation that the unfunded actuarial accrued liability of each relief association bears to the total unfunded actuarial accrued liabilities of all relief associations as reported in the ~~most recent~~ December 31, 1983, actuarial valuations of the relief associations receiving amortization state aid under subdivision 1. Money under this subdivision must be distributed ~~to the relief associations~~ at the same time that fire and police state aid is distributed under section 69.021.

Sec. 21. Minnesota Statutes 1990, section 469.177, subdivision 1a, is amended to read:

Subd. 1a. [ORIGINAL LOCAL TAX RATE.] At the time of the initial certification of the original net tax capacity for a tax increment financing district, the county auditor shall certify the original local tax rate that applies to the district. The original local tax rate is the sum of all the local tax rates that apply to a property in the district. The local tax rate to be certified is the rate in effect for the same taxes payable year applicable to the tax capacity values certified as the district's original tax capacity. ~~If the total local tax~~

~~rate applicable to properties in the tax increment financing district varies, the local tax rate must be computed by determining the average total local tax rate in the district, weighted on the basis of net tax capacity.~~ The resulting tax capacity rate is the original local tax rate for the life of the district.

Sec. 22. Minnesota Statutes 1990, section 473.446, subdivision 1, is amended to read:

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

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

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

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

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

(1) for taxes payable in 1988, the product of two mills multiplied by the total assessed valuation of all taxable property located within the metropolitan transit taxing district as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(2) for taxes payable in 1989, the product of (i) the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 determined under clause (1) multiplied by (ii) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located

within the metropolitan transit taxing district divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan transit taxing district; and

(3) for taxes payable in 1990 and subsequent years, the product of (i) the regional transit board's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous assessment year.

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

The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive full-peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a rate of ~~0.01209~~ 0.510 percent of ~~market value~~ net tax capacity on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of ~~0.01813~~ 0.765 percent of ~~market value~~ net tax capacity on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy and may make changes in the certification as necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the regional transit board the amounts certified by the county auditors on the dates provided in section 273.1398. There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments.

For the purposes of this subdivision, "full-peak and limited off-peak service" means peak period regular route service, plus weekday midday regular route service at intervals longer than 60

minutes on the route with the greatest frequency; and "limited peak period service" means peak period regular route service only.

Sec. 23. Minnesota Statutes 1990, section 473H.10, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF TAX; STATE REIMBURSEMENT.] (a) After having determined the market value of all land valued according to subdivision 2, the assessor shall compute the ~~gross~~ net tax capacity of those properties by applying the appropriate class rates. When computing the rate of tax pursuant to section 275.08, the county auditor shall include the ~~gross~~ net tax capacity of land as provided in this clause.

(b) The county auditor shall compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the ~~gross~~ net tax capacity times the total local tax rate for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the ~~gross~~ net tax capacity times 105 percent of the previous year's statewide average local tax rate levied on property located within townships for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be the amount determined in clause (b) or (c), whichever is less. If the ~~gross~~ net tax in clause (c) is less than the ~~gross~~ net tax in clause (b), the state shall reimburse the taxing jurisdictions for the amount of difference. Residential buildings shall continue to be valued and classified according to the provisions of sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.

The county may transfer money from the county conservation account created in section 40A.152 to the county revenue fund to reimburse the fund for the tax lost as a result of this subdivision or to pay taxing jurisdictions within the county for the tax lost. The county auditor shall certify to the commissioner of revenue on or before June 1 the total amount of tax lost to the county and taxing jurisdictions located within the county as a result of this subdivision and the extent that the tax lost exceeds funds available in the county conservation account. Payment shall be made by the state on December 15 to each of the affected taxing jurisdictions, other than school districts, in the same proportion that the ad valorem tax is distributed if the county conservation account is insufficient to make the reimbursement. There is annually appropriated from the Minnesota conservation fund under section 40A.151 to the commissioner of revenue an amount sufficient to make the reimbursement

provided in this subdivision. If the amount available in the Minnesota conservation fund is insufficient, the balance that is needed is appropriated from the general fund.

Sec. 24. [1989 POPULATION AND NUMBER OF HOUSEHOLDS DATA USED IN 1992 AID CALCULATIONS.]

Notwithstanding any law to the contrary, for the calculation of payable 1992 homestead and agricultural credit aid under Minnesota Statutes, section 273.1398, the 1989 population and number of households figure for governmental subdivisions not having annual estimates prepared by the metropolitan council is equal to the local unit's 1988 population or number of households figure as prepared by the state demographer, plus one-half the increase or minus one-half the decrease when compared to the corresponding figures according to the 1990 federal census.

Sec. 25. [STUDY OF VALUATION OF MANUFACTURED HOME PARKS.]

The legislative commission on planning and fiscal policy shall study the valuation of manufactured home parks and make recommendations concerning the most equitable and efficient methods to the chairs of the senate committee on taxes and tax laws and the taxes committee of the house of representatives by January 15, 1993.

Sec. 26. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall delete the first note after section 273.1398. The amendment to Minnesota Statutes, section 273.1398, subdivision 1, paragraph (j), made by Laws 1990, chapter 480, article 7, section 9, is of no effect.

Sec. 27. [EFFECTIVE DATES.]

Sections 1, 10 to 14, 24 to 26 are effective the day following final enactment. Sections 2, 22, and 23 are effective for taxes levied in 1989, payable in 1990, and thereafter, and for aids and credits payable in 1990 and thereafter. Section 3 is effective for taxes levied in 1991, payable in 1992, and thereafter. Sections 4 and 5 are effective for taxes levied in 1992, payable in 1993, and thereafter. Section 6 is effective for aids payable after June 30, 1992. Section 7 is effective for school year 1992-1993 and for homestead and agricultural credit aid and local government aids for taxes payable in 1992, and thereafter. Sections 8 and 9 are effective for aids payable in 1992 and thereafter. Sections 15 and 16 are effective for taxes becoming delinquent after December 31, 1991. Section 17 is effective July 1, 1982, and thereafter. Section 18 is effective June 1, 1990, and thereafter, provided further that no refunds of overpayments and no

collection of underpayments shall be made for fees paid prior to June 1, 1990. Section 19 is effective for abatements granted in 1992 and thereafter. Section 20 is effective for supplementary amortization state aid payable after June 30, 1991. Section 21 is effective for new tax increment financing districts and amendments adding geographic area to an existing district for which the certification request is, or has been, filed with the county auditor after May 1, 1988.

ARTICLE 5

LEVY LIMIT REPEAL

Section 1. Minnesota Statutes 1991 Supplement, section 4A.02, is amended to read:

4A.02 [STATE DEMOGRAPHER.]

The director shall appoint a state demographer. The demographer must be professionally competent in demography and must possess demonstrated ability based upon past performance. The demographer shall:

(1) continuously gather and develop demographic data relevant to the state;

(2) design and test methods of research and data collection;

(3) periodically prepare population projections for the state and designated regions and periodically prepare projections for each county or other political subdivision of the state as necessary to carry out the purposes of this section;

(4) review, comment on, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies, or nongovernmental persons, institutions, or commissions;

(5) serve as the state liaison with the federal Bureau of the Census, coordinate state and federal demographic activities to the fullest extent possible, and aid the legislature in preparing a census data plan and form for each decennial census;

(6) compile an annual study of population estimates on the basis of county, regional, or other political or geographical subdivisions as necessary to carry out the purposes of this section and section 4A.03;

(7) by January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(8) prepare maps for all counties in the state, all municipalities with a population of 10,000 or more, and other municipalities as needed for census purposes, according to scale and detail recommended by the federal Bureau of the Census, with the maps of cities showing precinct boundaries; and

(9) prepare an estimate of population and of the number of households for each governmental subdivision for which the metropolitan council does not prepare an annual estimate, and convey the estimates to the governing body of each political subdivision by May 1 of each year; ~~and~~.

~~(10) prepare an estimate of population and number of households for an area annexed by a governmental subdivision subject to levy limits under sections 275.50 to 275.56 if a municipal board order under section 414.01, subdivision 14, exists for the annexation and if the population of the annexed area is equal to at least 50 people or at least ten percent of the population of a governmental subdivision or unorganized territory that is losing area by the annexation.~~

~~An estimate under clause (10) must be an estimate of the population as of the date, within 12 months after the annexation occurs, for which a population estimate for the governmental subdivision is made either by the state demographer under clause (9) or by the metropolitan council.~~

Sec. 2. Minnesota Statutes 1990, section 103B.241, is amended to read:

103B.241 [LEVY.]

A levy to pay the increased costs to a local government unit or watershed management organization of implementing sections 103B.231 and 103B.235 or to pay costs of improvements and maintenance of improvements identified in an approved and adopted plan shall be in addition to any other taxes authorized by law. Notwithstanding any provision to the contrary in chapter 103D, a watershed district may levy a tax sufficient to pay the increased costs to the district of implementing sections 103B.231 and 103B.235. The proceeds of any tax levied under this section shall be deposited in a separate fund and expended only for the purposes authorized by this section. Watershed management organizations and local government units may accumulate the proceeds of levies as an alternative to issuing bonds to finance improvements. ~~The amount authorized under this section and levied by a governmental subdivision is not exempt from sections 275.50 to 275.56.~~

Sec. 3. Minnesota Statutes 1990, section 103B.335, is amended to read:

103B.335 [TAX; ~~EXEMPTION FROM PER CAPITA LEVY LIMIT~~ LEVY AUTHORITY.]

The governing body of any county, municipality, or township may levy a tax in an amount required to implement sections 103B.301 to 103B.355. ~~The amount of the levy up to 0.01813 percent of taxable market value is exempt from the per capita levy limit under section 275.11.~~

Sec. 4. Minnesota Statutes 1990, section 103F.221, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER'S COST OF ADOPTING ORDINANCES.] The costs incurred by the commissioner in adopting the ordinances or rules for the municipality must be paid by the municipality and collected from the municipality in the same manner as costs are paid by a county and collected from a county under section 103F.215, subdivision 4. ~~The tax levied to pay the costs may be levied in excess of the per capita levy limitation imposed under section 275.11.~~

Sec. 5. Minnesota Statutes 1990, section 174.27, is amended to read:

174.27 [PUBLIC EMPLOYER COMMUTER VAN PROGRAMS.]

Any statutory or home rule charter city, county, school district, independent board or agency may acquire or lease commuter vans, enter into contracts with another public or private employer to acquire or lease such vans, or purchase such a service for the use of its employees. The governing body of any such city, county, or school district may by resolution establish a commuter van revolving fund to be used to acquire or lease commuter vans for the use of its employees. Any payments out of the fund shall be repaid to the fund out of revenues derived from the use by the employees of the city, county, or school district, of the vans so purchased or leased. For the purpose of establishing the fund any city, county, or school district is authorized to make a one time levy not to exceed 0.00242 percent of taxable market value in excess of all taxing limitations ~~except the limitations imposed under sections 275.50 to 275.56,~~ without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by any local governments in the area. Any city, county, or school district which establishes a commuter van acquisition program or contracts for this service is authorized to levy a tax not to exceed 0.00024 percent of taxable market value for the purpose of paying the administrative and promotional costs of the program which levy shall be in excess of all taxing limitations ~~except the limitations imposed under sections 275.50 to 275.56~~. The governing body of any city, county, or school district may by resolution terminate the commuter van

revolving fund and use the funds for other purposes authorized by law.

Sec. 6. Minnesota Statutes 1991 Supplement, section 256E.05, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DUTIES.] The commissioner shall also:

(a) Provide necessary forms and instructions to the counties for plan format and information;

(b) To the extent possible, coordinate other categorical social services grant applications and plans required of counties so that the applications and plans are included in and are consistent with the timetable and other requirements for the community social services plan in subdivision 2 and section 256E.09;

(c) Provide to the chair of each county board, in addition to notice required pursuant to sections 14.05 to 14.36, timely advance notice and a written summary of the fiscal impact of any proposed new rule or changes in existing rule which will have the effect of increasing county costs for community social services;

(d) Provide training, technical assistance, and other support services to county boards to assist in needs assessment, planning, implementing, and monitoring social services programs in the counties;

(e) Design and implement a method of monitoring and evaluating social services, including site visits that utilize quality control audits to assure county compliance with applicable standards, guidelines, and the county and state social services plans;

(f) Design and implement a system that uses corrective action procedures as established in subdivision 5 and a schedule of fines to ensure county compliance with statutes, rules, federal laws, and federal regulations governing community social services. In determining the amount of the fine, the commissioner may consider the number of community social services clients or applicants affected by the county's failure to comply with the law or rule, the severity of the noncompliance, the duration of the noncompliance, the resources allocated for the provision of the service in the community social services plan approved under section 256E.09, and the amount the county is levying for social services and income maintenance programs as reported under section ~~275.50~~ 275.60, subdivision ~~5~~ 1, clause (2). Fines levied against a county under this subdivision must not exceed ten percent of the county's community social services allocation for the year in which the fines are levied;

(g) Design and implement an incentive program for the benefit of

counties that perform at a level that consistently meets or exceeds the minimum standards in law and rule. Fines collected under paragraph (e) may be placed in an incentive fund and used for the benefit of counties that meet and exceed the minimum standards;

(h) Specify requirements for reports, including fiscal reports, according to section 256.01, subdivision 2, paragraph (17), to account for aids distributed under section 256E.06, funds from Title XX of the Social Security Act distributed under Minnesota Statutes, section 256E.07, claims under Title IV-E of the Social Security Act, mental health funding, and other social services expenditures and activities; and

(i) Request waivers from federal programs as necessary to implement sections 256E.01 to 256E.12.

Sec. 7. Minnesota Statutes 1991 Supplement, section 256E.09, subdivision 6, is amended to read:

Subd. 6. [PLAN AMENDMENT.] After providing opportunity for public comment, the county may amend its plan. After approval of the amendment by the county board, the county shall submit to the commissioner its amendment and a statement signed by the county board or its designee that the county is in compliance with specified Minnesota Statutes. When certifying the amendment according to section 256E.05, subdivision 2, the commissioner shall consider: (1) the effect of the proposed amendment on efforts to prevent inappropriate or facilitate appropriate residential placements; and

(2) the resources allocated for the provision of services in the community social services plan approved under section 256E.09, and the amount the county is levying for social services and income maintenance programs as reported under section ~~275.50~~ 275.60, subdivision ~~5~~ 1, clause (2).

Sec. 8. Minnesota Statutes 1991 Supplement, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Between November 15 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to review its current budget and adopt its property tax levy for taxes payable in the following year.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district

may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124.82, subdivision 3, 124A.03, subdivision 2, or 124B.03, subdivision 2, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters ~~under section 275.58~~ after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a; and

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified; ~~and~~

~~(7) if not included in the certified levy, any additional amount levied pursuant to section 275.51, subdivision 7, paragraph (b).~~

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body of a school district, shall adopt its final property tax levy prior to adopting its final budget.

If the hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The

continued hearing must be held at least five business days but no more than 14 business days after the original hearing.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The county auditor shall provide for the coordination of hearing dates for all taxing authorities within the county.

By August 1, the county auditor shall notify the clerk of each school district within the county of the dates that the county board has designated for its hearing and any continuation under subdivision 3. By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations under subdivision 3. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which the county and school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations under subdivision 3. The city must not select dates that conflict with those elected by or assigned to the counties and school districts in which the city is located.

The hearing dates so elected or assigned must be designated on the notices required under subdivision 3.

This subdivision does not apply to towns and special taxing districts.

Sec. 9. Minnesota Statutes 1991 Supplement, section 275.125, subdivision 6j, is amended to read:

Subd. 6j. [LEVY FOR CRIME RELATED COSTS.] For taxes levied in 1991, payable in 1992 only, each school district may make a levy on all taxable property located within the school district for the purposes specified in this subdivision. The maximum amount which may be levied for all costs under this subdivision shall be equal to $1 multiplied by the population of the school district. For purposes of this subdivision, "population" of the school district means the same as contained in section 275.14. The proceeds of the levy must be used for reimbursing the cities and counties who contract with the school district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison services in the district's middle and secondary schools, (2) to teach drug abuse resistance education curricula in the elementary schools, and (3) to pay the costs incurred for the salaries and benefits of peace officers and sheriffs whose primary responsibilities are to investigate controlled substance crimes under chapter

152. The school district must initially attempt to contract for these services with the police department of each city or the sheriff's department of the county within the school district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries. The levy authorized under this subdivision is not included in determining the school district's levy limitations ~~and must be disregarded in computing any overall levy limitations under sections 275.50 to 275.56 of the participating cities or counties~~.

Sec. 10. [275.60] [TAX LEVIES; REPORT TO THE COMMISSIONER OF REVENUE.]

Subdivision 1. [REPORT ON TAXES LEVIED.] The commissioner of revenue shall establish procedures for the annual reporting of local government levies. Each local governmental unit shall submit a report to the commissioner by December 30 of the year in which the tax is levied. The report shall include, but is not limited to, information on the amount of the tax levied by the governmental unit for the following purposes:

(1) debt, which includes taxes levied for the purposes defined in Minnesota Statutes 1991 Supplement, section 275.50, subdivision 5, clauses (b), (c), (d), and (e);

(2) social services and related programs, which include taxes levied for the purposes defined in Minnesota Statutes 1991 Supplement, section 275.50, subdivision 5, clauses (a), (j), and (v);

(3) libraries, which include taxes levied for the purposes defined in Minnesota Statutes 1991 Supplement, section 275.50, subdivision 5, clause (n); and

(4) other levies, which include the taxes levied for all purposes not included in clause (1), (2), or (3).

Subd. 2. [LOCAL GOVERNMENTS REQUIRED TO REPORT.] For purposes of this section, "local governmental unit" means a county, home rule charter or statutory city with a population greater than 2,500, a town with a population greater than 5,000, or a home rule charter or statutory city or town that receives a distribution from the taconite municipal aid account in the levy year.

Subd. 3. [POPULATION ESTIMATE.] For the purposes of this section, the population of a local governmental unit shall be that established by the last federal census, by a census taken under section 275.14, or by an estimate made by the metropolitan council or by the state demographer made under section 116K.04, subdivi-

sion 4, whichever is the most recent as to the stated date of count or estimate for the calendar year preceding the current levy year.

Subd. 4. [PENALTY FOR LATE REPORTING.] If a local government unit fails to submit the report required in subdivision 1 by January 30 of the year after the year in which the tax was levied, aid payments to the local governmental unit in the year after the year in which the tax was levied shall be reduced as follows:

(1) for a county, the aid amount under section 256E.06 shall be reduced by five percent; and

(2) for other local governmental units, the aid certified to be received under sections 477A.011 to 477A.014 shall be reduced by five percent.

Sec. 11. Minnesota Statutes 1990, section 383B.152, is amended to read:

383B.152 [BUILDING AND MAINTENANCE FUND.]

The county board may by resolution levy a tax to provide money which shall be kept in a fund known as the county reserve building and maintenance fund. Money in the fund shall be used solely for the construction, maintenance, and equipping of county buildings that are constructed or maintained by the board. The levy shall not be subject to any limit fixed by any other law ~~except the limitations imposed in sections 275.50 to 275.56~~ or by any board of tax levy or other corresponding body, but shall not exceed 0.02215 percent of taxable market value, less the amount required by chapter 475 to be levied in the year for the payment of the principal of and interest on all bonds issued pursuant to Extra Session Laws 1967, chapter 47, section 1.

Sec. 12. Minnesota Statutes 1990, section 398A.06, subdivision 2, is amended to read:

Subd. 2. [LOANS AND DONATIONS.] The municipality may lend or donate money to the authority and may levy taxes, appropriate money, and issue bonds for that purpose in the manner and within the limitations prescribed by law, including but not limited to ~~chapters 275 and~~ chapter 475.

Sec. 13. Minnesota Statutes 1990, section 469.107, subdivision 2, is amended to read:

Subd. 2. [REVERSE REFERENDUM.] A city may increase its levy for economic development authority purposes under subdivision 1 in the following way. Its city council must first pass a resolution stating the proposed amount of levy increase. The city must then

publish the resolution together with a notice of public hearing on the resolution for two successive weeks in its official newspaper or if none exists in a newspaper of general circulation in the city. The hearing must be held two to four weeks after the first publication. After the hearing, the city council may decide to take no action or may adopt a resolution authorizing the proposed increase or a lesser increase. A resolution authorizing an increase must be published in the city's official newspaper or if none exists in a newspaper of general circulation in the city. The resolution is not effective if a petition requesting a referendum on the resolution is filed with the city clerk within 30 days of publication of the resolution. The petition must be signed by voters equaling five percent of the votes cast in the city in the last general election. The election must be held ~~pursuant to the procedure specified in section 275.58~~ at a general or special election. Notice of the election must be given in the manner required by law. The notice must state the purpose and amount of the levy.

Sec. 14. Minnesota Statutes 1990, section 471.571, subdivision 2, is amended to read:

Subd. 2. [CREATION OF FUND, TAX LEVY.] The governing body of the city may create a permanent improvement and replacement fund to be maintained by an annual tax levy. The governing body may levy a tax in excess of any charter limitation ~~and in excess of the per capita limitation imposed under section 275.11~~ for the support of the permanent improvement and replacement fund, but not exceeding the following:

(a) In cities having a population of not more than 500 inhabitants, the lesser of $20 per capita or 0.08059 percent of taxable market value;

(b) In cities having a population of more than 500 and less than 2500, the greater of $12.50 per capita or $10,000 but not exceeding 0.08059 percent of taxable market value;

(c) In cities having a population of more than 2500 inhabitants, the greater of $10 per capita or $31,500 but not exceeding 0.08059 percent of taxable market value.

Sec. 15. Minnesota Statutes 1990, section 473.711, subdivision 2, is amended to read:

Subd. 2. The metropolitan mosquito control commission shall prepare an annual budget. The budget may provide for expenditures in an amount not exceeding the property tax levy limitation determined in this subdivision. The commission may levy a tax on all taxable property in the district as defined in section 473.702 to provide funds for the purposes of sections 473.701 to 473.716. The tax shall not exceed the property tax levy limitation determined in

this subdivision. A participating county may agree to levy an additional tax to be used by the commission for the purposes of sections 473.701 to 473.716 but the sum of the county's and commission's taxes may not exceed the county's proportionate share of the property tax levy limitation determined under this subdivision based on the ratio of its total net tax capacity to the total net tax capacity of the entire district as adjusted by section 270.12, subdivision 3. The auditor of each county in the district shall add the amount of the levy made by the district to other taxes of the county for collection by the county treasurer with other taxes. When collected, the county treasurer shall make settlement of the tax with the district in the same manner as other taxes are distributed to political subdivisions. No county shall levy any tax for mosquito, disease vectoring tick, and black gnat (Simuliidae) control except under sections 473.701 to 473.716. The levy shall be in addition to other taxes authorized by law ~~and shall be disregarded in the calculation of limits on taxes imposed by chapter 275~~.

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

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

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

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

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

Sec. 16. Minnesota Statutes 1991 Supplement, section 477A.011, subdivision 27, is amended to read:

Subd. 27. [REVENUE BASE.] "Revenue base" means the amount levied for taxes payable in the previous year, including the levy on the fiscal disparity distribution under section 473F.08, subdivision 3, paragraph (a), and before reduction for the homestead and agricultural credit aid under section 273.1398, subdivision 2, equalization aid under section 477A.013, subdivision 5, and disparity reduction aid under section 273.1398, subdivision 3; plus the originally certified local government aid in the previous year under sections 477A.011, 477A.012, and 477A.013, except for 477A.013, subdivision 5; and the ~~estimated~~ taconite aids ~~used to determine levy limits for taxes payable~~ received in the previous year under ~~section 275.51, subdivision 3i~~ sections 298.28 and 298.282.

Sec. 17. Minnesota Statutes 1991 Supplement, section 477A.011, subdivision 29, is amended to read:

Subd. 29. [ADJUSTED REVENUE BASE.] "Adjusted revenue base" means revenue base as defined in subdivision 27 less the ~~special~~ levy reported under section ~~275.50~~ 275.60, subdivision ~~5~~ 1, clause ~~(a)~~ (2).

Sec. 18. [REPEALER.]

Minnesota Statutes 1990, section 134.342, subdivisions 2 and 4, are repealed.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 18 are effective for taxes levied in 1992, payable in 1993, and thereafter.

ARTICLE 6

INCOME AND FRANCHISE TAXES

Section 1. Minnesota Statutes 1990, section 289A.25, is amended by adding a subdivision to read:

Subd. 5a. [MODIFICATION TO INDIVIDUAL ESTIMATED TAX REQUIREMENTS.] (a) If an individual meets the requirements of section 6654(d)(1)(C) to (F), of the Internal Revenue Code, the amount of the required installments under subdivision 5 must be computed as provided in this subdivision. In determining the amount of the required installment, the following requirement is substituted for subdivision 5, clauses (2) and (3): "(2) the greater of (i) 100 percent of the tax shown on the return of the individual for the preceding taxable year, or (ii) 90 percent of the tax shown on the

return for the current year, determined by taking into account the adjustments under section 6654(d)(1)(D) of the Internal Revenue Code."

(b) Paragraph (a) does not apply for purposes of determining the amount of the first required installment in any taxable year under subdivision 3, paragraph (b). A reduction in an installment under this paragraph must be recaptured by increasing the amount of the first succeeding required installment by the amount of the reduction, unless the individual meets the requirements of paragraph (c).

(c) This subdivision does not apply to any required installment if the individual qualifies for an annualization exception as computed under section 6654(d)(1)(C)(iv) of the Internal Revenue Code. A reduction in an installment under this paragraph must be recaptured by increasing the amount of the first succeeding required installment (with respect to which the requirements of section 6654(d)(1)(C)(iv) are not met) by the amount of the reduction.

(d) All references to the Internal Revenue Code in this section are to the Internal Revenue Code of 1986, as amended through December 31, 1991. For purposes of meeting the requirements of or making adjustments under section 6654 of the Internal Revenue Code in this subdivision:

(1) for an individual who is not a Minnesota resident for the entire year, the terms "adjusted gross income" and "modified adjusted gross income" mean the Minnesota share of that income apportioned to Minnesota under section 290.06, subdivision 2c, paragraph (e); and

(2) "tax" means the sum of the taxes imposed by chapter 290 for a taxable year.

(e) This subdivision does not apply to individuals who compute and pay estimated taxes under subdivision 10.

(f) This subdivision does not apply to any taxable year beginning after December 31, 1996.

Sec. 2. Minnesota Statutes 1991 Supplement, section 289A.26, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM LIABILITY.] A corporation, partnership, or trust subject to taxation under chapter 290 (excluding section 290.92) or an entity subject to taxation under section 290.05, subdivision 3, must make payment of estimated tax for the taxable year if its tax liability so computed can reasonably be expected to exceed $500, or in accordance with rules prescribed by the commissioner for an affiliated group of corporations electing to file one return as permitted under section 289A.08, subdivision 3.

Sec. 3. Minnesota Statutes 1990, section 289A.26, subdivision 3, is amended to read:

Subd. 3. [SHORT TAXABLE YEAR.] (a) ~~A corporation~~ An entity with a short taxable year of less than 12 months, but at least four months, must pay estimated tax in equal installments on or before the 15th day of the third, sixth, ninth, and final month of the short taxable year, to the extent applicable based on the number of months in the short taxable year.

(b) ~~A corporation~~ An entity is not required to make estimated tax payments for a short taxable year unless its tax liability before the first day of the last month of the taxable year can reasonably be expected to exceed $500.

(c) No payment is required for a short taxable year of less than four months.

Sec. 4. Minnesota Statutes 1990, section 289A.26, subdivision 4, is amended to read:

Subd. 4. [UNDERPAYMENT OF ESTIMATED TAX.] If there is an underpayment of estimated tax by a corporation, partnership, or trust, there shall be added to the tax for the taxable year an amount determined at the rate in section 270.75 on the amount of the underpayment, determined under subdivision 5, for the period of the underpayment determined under subdivision 6. This subdivision does not apply in the first taxable year that a corporation is subject to the tax imposed under section 290.02.

Sec. 5. Minnesota Statutes 1991 Supplement, section 289A.26, subdivision 6, is amended to read:

Subd. 6. [PERIOD OF UNDERPAYMENT.] The period of the underpayment runs from the date the installment was required to be paid to the earlier of the following dates:

(1) the 15th day of the third month following the close of the taxable year for corporations, the 15th day of the fourth month following the close of the taxable year for partnerships or trusts, and the 15th day of the fifth month following the close of the taxable year for entities subject to tax under section 290.05, subdivision 3; or

(2) with respect to any part of the underpayment, the date on which that part is paid. For purposes of this clause, a payment of estimated tax shall be credited against unpaid required installments in the order in which those installments are required to be paid.

Sec. 6. Minnesota Statutes 1990, section 289A.26, subdivision 7, is amended to read:

Subd. 7. [REQUIRED INSTALLMENTS.] (a) Except as otherwise provided in this subdivision, the amount of a required installment is 25 percent of the required annual payment.

(b) Except as otherwise provided in this subdivision, the term "required annual payment" means the lesser of:

(1) ~~90~~ (i) for tax years beginning in calendar year 1992, 93 percent of the tax shown on the return for the taxable year, or if no return is filed, ~~90~~ 93 percent of the tax for that year; ~~or~~

(ii) for tax years beginning after December 31, 1992, 95 percent of the tax shown on the return for the taxable year, or if no return is filed 95 percent of the tax for that year; or

(2) 100 percent of the tax shown on the return of the ~~corporation~~ entity for the preceding taxable year provided the return was for a full 12-month period, showed a liability, and was filed by the ~~corporation~~ entity.

(c) Except for determining the first required installment for any taxable year, paragraph (b), clause (2), does not apply in the case of a large corporation. The term "large corporation" means a corporation or any predecessor corporation that had taxable net income of $1,000,000 or more for any taxable year during the testing period. The term "testing period" means the three taxable years immediately preceding the taxable year involved. A reduction allowed to a large corporation for the first installment that is allowed by applying paragraph (b), clause (2), must be recaptured by increasing the next required installment by the amount of the reduction.

(d) In the case of a required installment, if the corporation establishes that the annualized income installment is less than the amount determined in paragraph (a), the amount of the required installment is the annualized income installment and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing later required installments to the extent the reductions have not previously been recovered.

(e) The "annualized income installment" is the excess, if any, of:

(1) an amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(i) for the first two months of the taxable year, in the case of the first required installment;

(ii) for the first two months or for the first five months of the taxable year, in the case of the second required installment;

(iii) for the first six months or for the first eight months of the taxable year, in the case of the third required installment; and

(iv) for the first nine months or for the first 11 months of the taxable year, in the case of the fourth required installment, over

(2) the aggregate amount of any prior required installments for the taxable year.

(3) For the purpose of this paragraph, the annualized income shall be computed by placing on an annualized basis the taxable income for the year up to the end of the month preceding the due date for the quarterly payment multiplied by 12 and dividing the resulting amount by the number of months in the taxable year (2, 5, 6, 8, 9, or 11 as the case may be) referred to in clause (1).

(4) The "applicable percentage" used in clause (1) is:

For the following required installments:	The applicable percentage is:	
	for tax years beginning in 1992	for tax years beginning after December 31, 1992
1st	~~22.5~~ 23.25	23.75
2nd	~~45~~ 46.5	47.5
3rd	~~67.5~~ 69.75	71.25
4th	~~90~~ 93	95

(f)(1) If this paragraph applies, the amount determined for any installment must be determined in the following manner:

(i) take the taxable income for the months during the taxable year preceding the filing month;

(ii) divide that amount by the base period percentage for the months during the taxable year preceding the filing month;

(iii) determine the tax on the amount determined under item (ii); and

(iv) multiply the tax computed under item (iii) by the base period percentage for the filing month and the months during the taxable year preceding the filing month.

(2) For purposes of this paragraph:

(i) the "base period percentage" for a period of months is the average percent that the taxable income for the corresponding

months in each of the three preceding taxable years bears to the taxable income for the three preceding taxable years;

(ii) the term "filing month" means the month in which the installment is required to be paid;

(iii) this paragraph only applies if the base period percentage for any six consecutive months of the taxable year equals or exceeds 70 percent; and

(iv) the commissioner may provide by rule for the determination of the base period percentage in the case of reorganizations, new corporations, and other similar circumstances.

(3) In the case of a required installment determined under this paragraph, if the ~~corporation~~ entity determines that the installment is less than the amount determined in paragraph (a), the amount of the required installment is the amount determined under this paragraph and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing later required installments to the extent the reductions have not previously been recovered.

Sec. 7. Minnesota Statutes 1990, section 289A.26, subdivision 9, is amended to read:

Subd. 9. [FAILURE TO FILE AN ESTIMATE.] In the case of ~~a corporation~~ an entity that fails to file an estimated tax for a taxable year when one is required, the period of the underpayment runs from the four installment dates in subdivision 2 or 3, whichever applies, to the earlier of the periods in subdivision 6, clauses (1) and (2).

Sec. 8. Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(h) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply; and

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code.

The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

The Internal Revenue Code of 1986, as amended through December 31, 1986, shall be in effect for taxable years beginning after December 31, 1986. The provisions of sections 10104, 10202, 10203, 10204, 10206, 10212, 10221, 10222, 10223, 10226, 10227, 10228, 10611, 10631, 10632, and 10711 of the Omnibus Budget Reconciliation Act of 1987, Public Law Number 100-203, the provisions of sections 1001, 1002, 1003, 1004, 1005, 1006, 1008, 1009, 1010, 1011, 1011A, 1011B, 1012, 1013, 1014, 1015, 1018, 2004, 3041, 4009, 6007, 6026, 6032, 6137, 6277, and 6282 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, and the provisions of sections 7811, 7816, and 7831 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, shall be effective at the time they become effective for federal income tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1987, shall be in effect for taxable years beginning after December 31, 1987. The provisions of sections 4001, 4002, 4011, 5021, 5041, 5053, 5075, 6003, 6008, 6011, 6030, 6031, 6033, 6057, 6064, 6066, 6079, 6130, 6176, 6180, 6182, 6280, and 6281 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, the provisions of sections 7815 and 7821 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, and the provisions of section 11702 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1988, shall be in effect for taxable years beginning after December 31, 1988. The provisions of sections 7101, 7102, 7104, 7105, 7201, 7202, 7203, 7204, 7205, 7206, 7207, 7210, 7211, 7301, 7302, 7303, 7304, 7601, 7621, 7622, 7641, 7642, 7645, 7647, 7651, and 7652 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, the provision of section 1401 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Public Law Number 101-73, and the provisions of sections 11701 and 11703 of the Revenue Reconciliation Act of 1990, Public Law Number

101-508, shall become effective at the time they become effective for federal tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1989, shall be in effect for taxable years beginning after December 31, 1989. The provisions of sections 11321, 11322, 11324, 11325, 11403, 11404, 11410, and 11521 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1990, shall be in effect for taxable years beginning after December 31, 1990.

The Internal Revenue Code of 1986, as amended through December 31, 1991, shall be in effect for taxable years beginning after December 31, 1991.

Except as otherwise provided, references to the Internal Revenue Code in subdivisions 19a to 19g mean the code in effect for purposes of determining net income for the applicable year.

Sec. 9. Minnesota Statutes 1991 Supplement, section 290.06, subdivision 23, is amended to read:

Subd. 23. [REFUND OF CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to any political party. The maximum refund for an individual must not exceed $50 and, for a married couple filing jointly, must not exceed $100. A refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the party chair. A claim must be filed with the commissioner not sooner than September 1 of the calendar year in which the contribution is made and no later than April 15 of the calendar year following the calendar year in which the contribution is made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution is made must include interest at the rate specified in section 270.76.

(b) No refund is allowed under this subdivision for a contribution to any candidate unless the candidate:

(1) has signed an agreement to limit campaign expenditures as provided in section 10A.322 or 10A.43;

(2) is seeking an office for which voluntary spending limits are specified in section 10A.25 or 10A.43; and

(3) has designated a principal campaign committee.

This subdivision does not limit the campaign expenditure of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major or minor party" includes the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

"Candidate" means a congressional candidate as defined in section 10A.41, subdivision 4, or a candidate as defined in section 10A.01, subdivision 5, except a candidate for judicial office.

"Contribution" means a gift of money. A contribution includes the full purchase price, paid in money, of a ticket to a political fund raising event, if the principal purpose of the event is to raise money for a political party or candidate and if the provision of food, drink, entertainment, or other benefits in connection with the event is incidental to the purpose of fund raising.

(d) The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

Sec. 10. Minnesota Statutes 1990, section 290.0922, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] The following entities are exempt from the tax imposed by this section:

(1) corporations exempt from tax under section 290.05 other than insurance companies exempt under subdivision 1, paragraph (d);

(2) real estate investment trusts;

(3) regulated investment companies or a fund thereof; and

(4) entities having a valid election in effect under section 860D(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989; ~~and~~

(5) town and farmers' mutual insurance companies; and

(6) cooperatives organized under chapter 308A that provide housing exclusively to persons age 55 and over.

Entities not specifically exempted by this subdivision are subject to tax under this section, notwithstanding section 290.05.

Sec. 11. Minnesota Statutes 1990, section 290.9201, subdivision 11, is amended to read:

Subd. 11. [EXCEPTION FROM WITHHOLDING FOR PUBLIC SPEAKERS.] The provisions of subdivisions 7 and 8 shall not be effective for compensation paid to nonresident public speakers ~~before January 1, 1992~~, if the compensation paid to the speaker is less than $2,000 or is only a payment of the speaker's expenses.

Sec. 12. Minnesota Statutes 1990, section 290.923, is amended by adding a subdivision to read:

Subd. 11. [EXEMPTION FROM DEDUCTION AND WITHHOLDING.] A person or entity whose shares or certificates of beneficial interest are traded on the New York Stock Exchange or publicly traded on any recognized stock exchange and which issues 1099 or K1 forms to its shareholders or certificate holders and provides the 1099 or K1 information to the department of revenue, is exempt from deduction and withholding under this section.

Sec. 13. [TRANSITION RELIEF FOR CHANGE IN CORPORATE ESTIMATED TAX.]

For the purposes of computing the amount of underpayment of corporate estimated tax on installment payments due before June 1, 1992, 90 percent shall be substituted for 93 percent in Minnesota Statutes, section 289A.26, subdivision 7, paragraph (b), clause (1), and 22.5 percent shall be substituted for 23.25 percent in paragraph (e), clause (4), if there is not an underpayment of estimated tax for the second installment due in calendar year 1992.

Sec. 14. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1986, as amended through December 31, 1991" for the words "Internal Revenue Code of 1986, as amended through December 31, 1990" or "Internal Revenue Code of 1986, as amended through January 30, 1991" where either phrase occurs in chapters 289A, 290, 290A, and 291, except for section 290.01, subdivision 19.

Sec. 15. [EFFECTIVE DATE.]

Sections 1, 10, and 13 are effective for taxable years beginning after December 31, 1991.

Sections 2 to 5, and 7 are effective for taxable years beginning after June 1, 1992.

Section 6 is effective for estimated tax payments for tax years beginning after December 31, 1991, except that the amendments changing the words "corporation" to "entity" are effective for taxable years beginning after June 1, 1992.

Section 9 is intended to confirm the legislature's original intent in enacting the political contribution refund and is effective retroactive to the original effective date of the refund.

Section 11 is effective January 1, 1992.

Section 12 is effective for taxable years beginning after December 31, 1989.

ARTICLE 7

STATE TAXES, TECHNICAL

Section 1. [13.701] [TAX DATA; CLASSIFICATION AND DISCLOSURE.]

Classification and disclosure of tax data created, collected, or maintained under chapters 290, 290A, 291, and 297A by the department of revenue is governed by chapter 270B.

Sec. 2. Minnesota Statutes 1990, section 60A.19, subdivision 6, is amended to read:

Subd. 6. [RETALIATORY PROVISIONS.] (1) When by the laws of any other state or country any taxes, fines, deposits, penalties, licenses, or fees, other than assessments made by an insurance

guaranty association or similar organization, in addition to or in excess of those imposed by the laws of this state upon foreign insurance companies and their agents doing business in this state, other than assessments ~~made pursuant to section 60C.06~~ by an insurance guaranty association or similar organization organized under the laws of this state, are imposed on insurance companies of this state and their agents doing business in that state or country, or when any conditions precedent to the right to do business in that state are imposed by the laws thereof, beyond those imposed upon these foreign companies by the laws of this state, the same taxes, fines, deposits, penalties, licenses, fees, and conditions precedent shall be imposed upon every similar insurance company of that state or country and their agents doing or applying to do business in this state so long as these foreign laws remain in force. Special purpose obligations or assessments, or assessments imposed in connection with particular kinds of insurance, are not taxes, licenses, or fees as these terms are used in this section.

(2) In the event that a domestic insurance company, after complying with all reasonable laws and rulings of any other state or country, is refused permission by that state or country to transact business therein after the commissioner of commerce of Minnesota has determined that that company is solvent and properly managed and after the commissioner has so certified to the proper authority of that other state or country, then, and in every such case, the commissioner may forthwith suspend or cancel the certificate of authority of every insurance company organized under the laws of that other state or country to the extent that it insures, or seeks to insure, in this state against any of the risks or hazards which that domestic company seeks to insure against in that other state or country. Without limiting the application of the foregoing provision, it is hereby determined that any law or ruling of any other state or country which prescribes to a Minnesota domestic insurance company the premium rate or rates for life insurance issued or to be issued outside that other state or country shall not be reasonable.

(3) This section does not apply to insurance companies organized or domiciled in a state or country, the laws of which do not impose retaliatory taxes, fines, deposits, penalties, licenses, or fees or which grant, on a reciprocal basis, exemptions from retaliatory taxes, fines, deposits, penalties, licenses, or fees to insurance companies domiciled in this state.

Sec. 3. Minnesota Statutes 1991 Supplement, section 270A.04, subdivision 2, is amended to read:

Subd. 2. Any debt owed to a claimant agency ~~shall~~ must not be submitted by the agency for collection under the procedure established by sections 270A.01 to 270A.12 ~~unless~~ if (a) ~~an alternative means of collection is pending and the debtor is complying with the terms of alternative means of collection, except that this limitation~~

~~does not apply to debts owed resulting from a default in payment of child support or maintenance~~ there is a written payment agreement between the debtor and the claimant agency in which revenue recapture is prohibited and the debtor is complying with the agreement, (b) the collection attempt would result in a loss of federal funds, or (c) the agency is unable to supply the department with the necessary identifying information required by subdivision 3 or rules promulgated by the commissioner, or (d) the debt is barred by section 541.05.

Sec. 4. Minnesota Statutes 1990, section 270A.05, is amended to read:

270A.05 [MINIMUM SUM COLLECTIBLE.]

The minimum sum which a claimant agency may collect through use of the setoff procedure is ~~$25~~ $15.

Sec. 5. Minnesota Statutes 1990, section 270A.07, subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION REQUIREMENT.] Any claimant agency, seeking collection of a debt through setoff against a refund due, shall submit to the commissioner information indicating the amount of each debt and information identifying the debtor, as required by section 270A.04, subdivision 3. ~~Where the notification is received before July 1, the notification shall be effective only to initiate set-off for claims against refunds that would be made in the same calendar year. Where the notification is received on or after July 1, the notification is effective only to begin setoff for claims against refunds that would be made in the next calendar year.~~

~~The claimant agency shall submit to the commissioner the amount of $3 per certification. The payment must accompany the certification. The claimant agency shall increase the amount of each debt certified by $3 and this total amount is subject to recapture. If the total debt is not recaptured by the commissioner, the $3 addition to the debt may be collected by the claimant agency from the debtor and must be considered an obligation of the debtor. The $3 will not be refunded if the recapture is not accomplished.~~

For each setoff of a debt against a refund due, the commissioner shall charge a fee of $10. The claimant agency may add the fee to the amount of the debt.

The claimant agency shall notify the commissioner when a debt has been satisfied or reduced by at least $200 within 30 days after satisfaction or reduction.

Sec. 6. Minnesota Statutes 1990, section 270A.07, subdivision 2, is amended to read:

Subd. 2. [SETOFF PROCEDURES.] (a) The commissioner, upon receipt of notification, shall initiate procedures to detect any refunds otherwise payable to the debtor. When the commissioner determines that a refund is due to a debtor whose debt was submitted by a claimant agency, the commissioner shall first deduct the fee in subdivision 1 and then remit the refund or the amount claimed, whichever is less, to the agency. In transferring or remitting moneys to the claimant agency, the commissioner shall provide information indicating the amount applied against each debtor's obligation and the debtor's address listed on the tax return.

(b) The commissioner shall remit to the debtor the amount of any refund due in excess of the debt submitted for setoff by the claimant agency. Notice of the amount setoff and address of the claimant agency shall accompany any disbursement to the debtor of the balance of a refund.

Sec. 7. Minnesota Statutes 1991 Supplement, section 270A.08, subdivision 2, is amended to read:

Subd. 2. (a) This written notice shall clearly and with specificity set forth the basis for the claim to the refund including the name of the benefit program involved if the debt arises from a public assistance grant and the dates on which the debt was incurred and, further, shall advise the debtor of the claimant agency's intention to request setoff of the refund against the debt.

(b) The notice will also advise the debtor that ~~any~~ the debt ~~incurred more than six years from the date of the notice to the commissioner under section 270A.07, except for debts owed resulting from a default in payment of child support or maintenance, must not~~ can be setoff against a refund unless the time period allowed by law for collecting the debt has expired, and will advise the debtor of the right to contest the validity of the claim at a hearing. The debtor must assert this right by written request to the claimant agency, which request the agency must receive within 45 days of the mailing date of the original notice or of the corrected notice, as required by subdivision 1. If the debtor has not received the notice, the 45 days shall not commence until the debtor has received actual notice. The debtor shall have the burden of showing no notice and shall be entitled to a hearing on the issue of notice as well as on the merits.

Sec. 8. Minnesota Statutes 1990, section 270A.11, is amended to read:

270A.11 [DATA PRIVACY.]

Private and confidential data on individuals may be exchanged among the department, the claimant agency, and the debtor as necessary to accomplish and effectuate the intent of sections 270A.01 to 270A.12, as provided by section 13.05, subdivision 4, clause (b). The department may disclose to the claimant agency only the debtor's name, address, social security number and the amount of the refund, and in the case of a joint return, the name of the debtor's spouse. Any person employed by, or formerly employed by, a claimant agency who discloses any such information for any other purpose, shall be subject to the civil and criminal penalties of section 270B.18.

Sec. 9. Minnesota Statutes 1990, section 270B.01, subdivision 8, is amended to read:

Subd. 8. [MINNESOTA TAX LAWS.] For purposes of this chapter only, "Minnesota tax laws" means the taxes administered by or paid to the commissioner under chapters 289A, 290, 290A, 291, and 297A, and includes any laws for the assessment, collection, and enforcement of those taxes.

Sec. 10. Minnesota Statutes 1991 Supplement, section 289A.20, subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUAL INCOME, FIDUCIARY INCOME, MINING COMPANY, CORPORATE FRANCHISE, AND ENTERTAINMENT TAXES.] (a) Individual income, fiduciary, mining company, and corporate franchise taxes must be paid to the commissioner on or before the date the return must be filed under section 289A.18, subdivision 1, or the extended due date as provided in section 289A.19, unless an earlier date for payment is provided.

Notwithstanding any other law, a taxpayer whose unpaid liability for income or corporate franchise taxes, as reflected upon the return, is $1 or less need not pay the tax.

~~A corporation required to make estimated tax payments by means of an electronic funds transfer must also make the payment with the return in accordance with section 289A.26, subdivision 2a.~~

(b) Entertainment taxes must be paid on or before the date the return must be filed under section 289A.18, subdivision 1.

Sec. 11. [289A.43] [PROHIBITION OF SUITS TO RESTRAIN ASSESSMENT OR COLLECTION.]

Except for the express procedures in this chapter, chapters 270 and 271, and any other tax statutes for contesting the assessment or collection of taxes, penalties, or interest administered by the commissioner of revenue, no suit to restrain assessment or collection,

including a declaratory judgment action, can be maintained in any court by any person.

Sec. 12. Minnesota Statutes 1990, section 289A.50, subdivision 5, is amended to read:

Subd. 5. [WITHHOLDING OF REFUNDS FROM CHILD SUPPORT DEBTORS.] (a) If a court of this state finds that a person obligated to pay child support is delinquent in making payments, the amount of child support unpaid and owing, including attorney fees and costs incurred in ascertaining or collecting child support, must be withheld from a refund due the person under chapter 290. The public agency responsible for child support enforcement or the parent or guardian of a child for whom the support, attorney fees, and costs are owed may petition the district or county court for an order providing for the withholding of the amount of child support, attorney fees, and costs unpaid and owing as determined by court order. The person from whom the refund may be withheld must be notified of the petition under the rules of civil procedure before the issuance of an order under this subdivision. The order may be granted on a showing to the court that required support payments, attorney fees, and costs have not been paid when they were due.

(b) On order of the court ~~and on payment of $3 to the commissioner~~, the commissioner shall withhold the money from the refund due to the person obligated to pay the child support. The amount withheld shall be remitted to the public agency responsible for child support enforcement or to the parent or guardian petitioning on behalf of the child, after any delinquent tax obligations of the taxpayer owed to the revenue department have been satisfied and after deduction of the fee prescribed in section 270A.07, subdivision 1. An amount received by the responsible public agency or the petitioning parent or guardian in excess of the amount of public assistance spent for the benefit of the child to be supported, or the amount of any support, attorney fees, and costs that had been the subject of the claim under this subdivision that has been paid by the taxpayer before the diversion of the refund, must be paid to the person entitled to the money. If the refund is based on a joint return, the part of the refund that must be paid to the petitioner is the proportion of the total refund that equals the proportion of the total federal adjusted gross income of the spouses that is the federal adjusted gross income of the spouse who is delinquent in making the child support payments.

(c) A petition filed under this subdivision remains in effect with respect to any refunds due under this section until the support money, attorney fees, and costs have been paid in full or the court orders the commissioner to discontinue withholding the money from the refund due the person obligated to pay the support, attorney fees, and costs. If a petition is filed under this subdivision and a claim is made under chapter 270A with respect to the individual's refund and

notices of both are received before the time when payment of the refund is made on either claim, the claim relating to the liability that accrued first in time must be paid first. The amount of the refund remaining must then be applied to the other claim.

Sec. 13. Minnesota Statutes 1990, section 290.05, subdivision 4, is amended to read:

Subd. 4. (a) ~~Corporations, individuals, estates, trusts or organizations claiming exemption under subdivision 2 shall furnish information concerning their exempt status under the Internal Revenue Code.~~

~~(b) Corporations, individuals, estates, trusts, and organizations shall file with the commissioner of revenue a copy of an annual report that is required to be filed with the Internal Revenue Service, no later than ten days after filing it with the Internal Revenue Service. An annual report required of a pension plan under sections 6057 to 6059 of the Internal Revenue Code of 1954, does not need to be filed with the commissioner.~~

~~(c)~~ If the Internal Revenue Service revokes, cancels or suspends, in whole or part, the exempt status of any corporation, individual, estate, trust or organization ~~referred to in paragraph (a)~~, or if the amount of gross income, deductions, credits, items of tax preference or taxable income is changed or corrected by either the taxpayer or the Internal Revenue Service, or if the taxpayer consents to any extension of time for assessment of federal income taxes, the corporation, individual, estate, trust or organization shall notify the commissioner in writing of the action within 90 days after that date.

~~(d)~~ (b) The periods of limitations contained in section 289A.42, subdivision 2, apply when there has been any action referred to in paragraph ~~(c)~~ (a), notwithstanding any period of limitations to the contrary.

Sec. 14. Minnesota Statutes 1991 Supplement, section 290.0671, subdivision 1, is amended to read:

Subdivision 1. [CREDIT ALLOWED.] An individual is allowed a credit against the tax imposed by this chapter equal to ten percent of the credit for which the individual is eligible under section 32 of the Internal Revenue Code of 1986, as amended through December 31, 1990.

For a nonresident, or part-year resident, ~~or person who has earned income not subject to tax under this chapter,~~ the credit determined under section 32 of the Internal Revenue Code of 1986, as amended through December 31, 1990, must be allocated based on the percentage ~~of the total earned income of the claimant and the claimant's~~

~~spouse that is derived from Minnesota sources~~ calculated under section 290.06, subdivision 2c, paragraph (e).

For a person who was a resident for the entire tax year and has earned income not subject to tax under this chapter, the credit must be allocated based on the ratio of federal adjusted gross income reduced by the earned income not subject to tax under this chapter over federal adjusted gross income.

Sec. 15. Minnesota Statutes 1991 Supplement, section 290.091, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding the Minnesota charitable contribution deduction and non-Minnesota charitable deductions to the extent they are included in federal alternative minimum taxable income under section 57(a)(6) of the Internal Revenue Code, and excluding the medical expense deduction;

(3) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); less the sum of

(i) interest income as defined in section 290.01, subdivision 19b, clause (1);

(ii) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2); and

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1989.

(c) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(d) "Tentative minimum tax" equals ~~six~~ seven percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(e) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(f) "Net minimum tax" means the minimum tax imposed by this section.

(g) "Minnesota charitable contribution deduction" means a charitable contribution deduction under section 170 of the Internal Revenue Code to or for the use of an entity described in section 290.21, subdivision 3, clauses (a) to (e).

Sec. 16. Minnesota Statutes 1990, section 290.091, subdivision 6, is amended to read:

Subd. 6. [CREDIT FOR PRIOR YEARS' LIABILITY.] (a) A credit is allowed against the tax imposed by this chapter on individuals, trusts, and estates equal to the minimum tax credit for the taxable year. The minimum tax credit equals the adjusted net minimum tax for taxable years beginning after December 31, 1988, reduced by the minimum tax credits allowed in a prior taxable year. The credit may not exceed the excess (if any) for the taxable year of

(1) the regular tax, over

(2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.

(b) The adjusted net minimum tax for a taxable year equals the lesser of the net minimum tax or the excess (if any) of

(1) the tentative minimum tax, over

(2) ~~six~~ seven percent of the sum of

(i) adjusted gross income as defined in section 62 of the Internal Revenue Code,

(ii) interest income as defined in section 290.01, subdivision 19a, clause (1),

(iii) interest on specified private activity bonds, as defined in section 57(a)(5) of the Internal Revenue Code, to the extent not included under clause (ii),

(iv) depletion as defined in section 57(a)(1) of the Internal Revenue Code, less

(v) the deductions provided in clauses (3)(i), (3)(ii), and (3)(iii) of subdivision 2, paragraph (a), and

(vi) the exemption amount determined under subdivision 3.

In the case of an individual who is not a Minnesota resident for the entire year, adjusted net minimum tax must be multiplied by the fraction defined in section 290.06, subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted net minimum tax must be multiplied by the fraction defined under subdivision 4, paragraph (b).

Sec. 17. Minnesota Statutes 1991 Supplement, section 290.0921, subdivision 8, is amended to read:

Subd. 8. [CARRYOVER CREDIT.] (a) A corporation is allowed a credit against qualified regular tax for qualified alternative minimum tax previously paid. The credit is allowable only if the corporation has no tax liability under this section for the taxable year and if the corporation has an alternative minimum tax credit carryover from a previous year. The credit allowable in a taxable year equals the lesser of

(1) the excess of the qualified regular tax for the taxable year over the amount computed under subdivision 1, ~~paragraph (a),~~ clause (1), for the taxable year or

(2) the carryover credit to the taxable year.

(b) For purposes of this subdivision, the following terms have the meanings given.

(1) "Qualified alternative minimum tax" equals the amount determined under subdivision 1 for the taxable year.

(2) "Qualified regular tax" means the tax imposed under section 290.06, subdivision 1.

(c) The qualified alternative minimum tax for a taxable year is an alternative minimum tax credit carryover to each of the taxable years succeeding the taxable year. The entire amount of the credit must be carried to the earliest taxable year to which the amount may be carried. Any unused portion of the credit must be carried to

the following taxable year. No credit may be carried to a taxable year in which alternative minimum tax was paid.

(d) An acquiring corporation may carry over this credit from a transferor or distributor corporation in a corporate acquisition. The provisions of section 381 of the Internal Revenue Code apply in determining the amount of the carryover, if any.

Sec. 18. Minnesota Statutes 1991 Supplement, section 290.0922, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] (a) In addition to the tax imposed by this chapter without regard to this section, the franchise tax imposed on a corporation required to file under section ~~290.37~~ 289A.08, subdivision 3, other than a corporation having a valid election in effect under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, for the taxable year includes a tax equal to the following amounts:

If the sum of the corporation's Minnesota property, payrolls, and sales or receipts is:				the tax equals:
	less than	$500,000		$0
$ 500,000	to $	999,999		$100
$ 1,000,000	to $	4,999,999		$300
$ 5,000,000	to $	9,999,999		$1,000
$10,000,000	to	$19,999,999		$2,000
$20,000,000	or more			$5,000

(b) A tax is imposed annually beginning in 1990 on a corporation required to file a return under section ~~290.41, subdivision 1~~ 289A.12, subdivision 3, that has a valid election in effect for the taxable year under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1989, and on a partnership required to file a return under section ~~290.41, subdivision 1~~ 289A.12, subdivision 3, other than a partnership that derives over 80 percent of its income from farming. The tax imposed under this paragraph is due on or before the due date of the return for the taxpayer due under section ~~290.41, subdivision 1, for the calendar year following the calendar year in which the tax is imposed~~ 289A.18, subdivision 1. The commissioner shall prescribe the return to be used for payment of this tax. The tax under this paragraph is equal to the following amounts:

If the sum of the S corporation's or partnership's Minnesota property, payrolls, and sales or receipts is:				the tax equals:
	less than	$500,000		$0
$ 500,000	to $	999,999		$100
$ 1,000,000	to $	4,999,999		$300

$ 5,000,000	to $ 9,999,999	$1,000
$10,000,000	to $19,999,999	$2,000
$20,000,000	or more	$5,000

Sec. 19. Minnesota Statutes 1991 Supplement, section 290.92, subdivision 23, is amended to read:

Subd. 23. [WITHHOLDING BY EMPLOYER OF DELINQUENT TAXES.] (1) The commissioner may, within five years after the date of assessment of the tax, or if a lien has been filed under section 270.69, within the statutory period for enforcement of the lien, give notice to any employer deriving income which has a taxable situs in this state regardless of whether the income is exempt from taxation, that an employee of that employer is delinquent in a certain amount with respect to any state taxes, including penalties, interest, and costs. The commissioner can proceed under this subdivision only if the tax is uncontested or if the time for appeal of the tax has expired. The commissioner shall not proceed under this subdivision until the expiration of 30 days after mailing to the taxpayer, at the taxpayer's last known address, a written notice of (a) the amount of taxes, interest, and penalties due from the taxpayer and demand for their payment, and (b) the commissioner's intention to require additional withholding by the taxpayer's employer pursuant to this subdivision. The effect of the notice shall expire 180 days after it has been mailed to the taxpayer provided that the notice may be renewed by mailing a new notice which is in accordance with this subdivision. The renewed notice shall have the effect of reinstating the priority of the original claim. The notice to the taxpayer shall be in substantially the same form as that provided in section 571.41. The notice shall further inform the taxpayer of the wage exemptions contained in section 550.37, subdivision 14. If no statement of exemption is received by the commissioner within 30 days from the mailing of the notice, the commissioner may proceed under this subdivision. The notice to the taxpayer's employer may be served by mail or by delivery by an employee of the department of revenue and shall be in substantially the same form as provided in section 571.495. Upon receipt of notice, the employer shall withhold from compensation due or to become due to the employee, the total amount shown by the notice, subject to the provisions of section 571.55. The employer shall continue to withhold each pay period until the notice is released by the commissioner under section 270.709. Upon receipt of notice by the employer, the claim of the state of Minnesota shall have priority over any subsequent garnishments or wage assignments. The commissioner may arrange between the employer and the employee for withholding a portion of the total amount due the employee each pay period, until the total amount shown by the notice plus accrued interest has been withheld.

The "compensation due" any employee is defined in accordance with the provisions of section 571.55. The maximum withholding allowed under this subdivision for any one pay period shall be

decreased by any amounts payable pursuant to a garnishment action with respect to which the employer was served prior to being served with the notice of delinquency and any amounts covered by any irrevocable and previously effective assignment of wages; the employer shall give notice to the department of the amounts and the facts relating to such assignments within ten days after the service of the notice of delinquency on the form provided by the department of revenue as noted in this subdivision.

(2) If the employee ceases to be employed by the employer before the full amount set forth in a notice of delinquency plus accrued interest has been withheld, the employer shall immediately notify the commissioner in writing of the termination date of the employee and the total amount withheld. No employer may discharge any employee by reason of the fact that the commissioner has proceeded under this subdivision. If an employer discharges an employee in violation of this provision, the employee shall have the same remedy as provided in section 571.61, subdivision 2.

(3) Within ten days after the expiration of such pay period, the employer shall remit to the commissioner, on a form and in the manner prescribed by the commissioner, the amount withheld during each pay period under this subdivision. Should any employer, after notice, willfully fail to withhold in accordance with the notice and this subdivision, or willfully fail to remit any amount withheld as required by this subdivision, the employer shall be liable for the total amount set forth in the notice together with accrued interest which may be collected by any means provided by law relating to taxation. Any amount collected from the employer for failure to withhold or for failure to remit under this subdivision shall be credited to the employee's account in the following manner: penalties, interest, tax, and costs.

(4) Clauses (1), (2), and (3), except provisions imposing a liability on the employer for failure to withhold or remit, shall apply to cases in which the employer is the United States or any instrumentality thereof or this state or any municipality or other subordinate unit thereof.

(5) The commissioner shall refund to the employee excess amounts withheld from the employee under this subdivision. If any excess results from payments by the employer because of willful failure to withhold or remit as prescribed in clause (3), the excess attributable to the employer's payment shall be refunded to the employer.

(6) Employers required to withhold delinquent taxes, penalties, interest, and costs under this subdivision shall not be required to compute any additional interest, costs or other charges to be withheld.

(7) The collection remedy provided to the commissioner by this

subdivision shall have the same legal effect as if it were a levy made pursuant to section 270.70.

(8) Notwithstanding any law to the contrary, the provisions of this subdivision may be enforced when compensation is paid or payable for personal services and the services are claimed to be those of an independent contractor. Such enforcement shall not be deemed to establish an employer/employee relationship under any other laws.

Sec. 20. Minnesota Statutes 1990, section 290A.03, subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] (a) "Claimant" means a person, other than a dependent, who filed a claim authorized by this chapter and who was a resident of this state as provided in chapter 290 during the calendar year for which the claim for relief was filed.

(b) In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim.

(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long-term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to title XIX of the Social Security Act, or the general assistance medical care program pursuant to section 256D.03, subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3, paragraphs (1) and (2), reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3, paragraphs (1) and (2), plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter.

(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home, intermediate care facility or long-term residential facility for only a portion of the calendar year covered by the claim, the claimant may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home, intermediate care facility, or long-term residential

facility and use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the claimant was not in the facility. The claimant's household income is the income for the entire calendar year covered by the claim.

(e) In the case of a claim for rent constituting property taxes of a part-year Minnesota resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. If a homestead property owner was a part-year Minnesota resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

(f) If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be each renter's household income for purposes of computing the amount of credit to be allowed.

Sec. 21. Minnesota Statutes 1990, section 290A.19, is amended to read:

290A.19 [OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.]

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead must furnish a certificate of rent constituting property tax to a person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves before December 31, the owner or managing agent may give the certificate to the renter at the time of moving, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate must be made available to the renter before February 1 of the year following the year in which the rent was paid. The owner or managing agent must retain a duplicate of each certificate or an equivalent record showing the same information for a period of three years. The duplicate or other record must be made available to the commissioner upon request.

(b) The certificate of rent constituting property taxes must include the address of the property, including the county, and the property tax parcel identification number and any additional information that the commissioner determines is appropriate.

(c) If the owner or managing agent fails to provide the renter with a certificate of rent constituting property taxes, the commissioner shall allocate the net tax on the building to the unit on a square footage basis or other appropriate basis as the commissioner determines. The renter shall supply the commissioner with a statement from the county treasurer that gives the amount of property tax on the parcel, the address and property tax parcel identification number of the property, and the number of units in the building.

(d) By ~~June 30, for taxes payable in 1990 and May 30 for taxes payable in 1991 and thereafter~~ January 31 of the year following the year in which the rent was collected, each owner or managing agent shall report to the commissioner on a form prescribed by the commissioner the net tax pertaining to the rental residential part of the property, the total scheduled rent, and the fraction computed under section 290A.03, subdivision 11. A copy of the property tax statement for taxes payable in that year must be attached.

Sec. 22. Minnesota Statutes 1990, section 297A.15, subdivision 5, is amended to read:

Subd. 5. [REFUND; APPROPRIATION.] Notwithstanding the provisions of sections 297A.25, subdivision 42, and 297A.257 the tax on sales of capital equipment, and construction materials and supplies under section 297A.257, shall be imposed and collected as if the ~~rate~~ rates under ~~section~~ sections 297A.02, subdivision 1, and 297A.021, applied. Upon application by the purchaser, on forms prescribed by the commissioner, a refund equal to the reduction in the tax due as a result of the application of the exemption under section 297A.25, subdivision 42, or 297A.257 shall be paid to the purchaser. In the case of building materials qualifying under section 297A.257 where the tax was paid by a contractor, application must be made by the owner for the sales tax paid by all the contractors, subcontractors, and builders for the project. The application must include sufficient information to permit the commissioner to verify the sales tax paid for the project. The application shall include information necessary for the commissioner initially to verify that the purchases qualified as capital equipment under section 297A.25, subdivision 42, or capital equipment or construction materials and supplies under section 297A.257. No more than two applications for refunds may be filed under this subdivision in a calendar year. Unless otherwise specifically provided by this subdivision, the provisions of section 289A.40 apply to the refunds payable under this subdivision. There is annually appropriated to the commissioner of revenue the amount required to make the refunds.

The amount to be refunded shall bear interest at the rate in section 270.76 from the date the refund claim is filed with the commissioner.

Sec. 23. Minnesota Statutes 1990, section 297A.15, subdivision 6, is amended to read:

Subd. 6. [REFUND; APPROPRIATION.] The tax on the gross receipts from the sale of items exempt under section 297A.25, subdivision 43, must be imposed and collected as if the sale were taxable and the ~~rate~~ rates under ~~section~~ sections 297A.02, subdivision 1, and 297A.021, applied.

Upon application by the owner of the homestead property on forms prescribed by the commissioner, a refund equal to the tax paid on the gross receipts of the building materials and equipment must be paid to the homeowner. In the case of building materials in which the tax was paid by a contractor, application must be made by the homeowner for the sales tax paid by the contractor. The application must include sufficient information to permit the commissioner to verify the sales tax paid for the project. The contractor must furnish to the homeowner a statement of the cost of building materials and the sales taxes paid on the materials. The amount required to make the refunds is annually appropriated to the commissioner. Interest must be paid on the refund at the rate in section 270.76 from 60 days after the date the refund claim is filed with the commissioner.

Sec. 24. Minnesota Statutes 1990, section 541.07, is amended to read:

541.07 [TWO- OR THREE-YEAR LIMITATIONS.]

Except where the Uniform Commercial Code, this section, section 148A.06, or section 541.073 otherwise prescribes, the following actions shall be commenced within two years:

(1) For libel, slander, assault, battery, false imprisonment, or other tort, resulting in personal injury, and all actions against physicians, surgeons, dentists, other health care professionals as defined in section 145.61, and veterinarians as defined in chapter 156, hospitals, sanitariums, for malpractice, error, mistake or failure to cure, whether based on contract or tort; provided a counterclaim may be pleaded as a defense to any action for services brought by a physician, surgeon, dentist, or other health care professional or veterinarian, hospital or sanitarium, after the limitations herein described notwithstanding it is barred by the provisions of this chapter, if it was the property of the party pleading it at the time it became barred and was not barred at the time the claim sued on originated, but no judgment thereof except for costs can be rendered in favor of the party so pleading it;

(2) Upon a statute for a penalty or forfeiture, except as provided in sections 541.074 and 541.075;

(3) For damages caused by a dam, other than a dam used for commercial purposes; but as against one holding under the preemption or homestead laws, the limitations shall not begin to run until a patent has been issued for the land so damaged;

(4) Against a master for breach of an indenture of apprenticeship; the limitation runs from the expiration of the term of service;

(5) For the recovery of wages or overtime or damages, fees or penalties accruing under any federal or state law respecting the payment of wages or overtime or damages, fees or penalties except, that if the employer fails to submit payroll records by a specified date upon request of the department of labor and industry or if the nonpayment is willful and not the result of mistake or inadvertence, the limitation is three years. (The term "wages" means all remuneration for services or employment, including commissions and bonuses and the cash value of all remuneration in any medium other than cash, where the relationship of master and servant exists and the term "damages" means single, double, or treble damages, accorded by any statutory cause of action whatsoever and whether or not the relationship of master and servant exists);

(6) For damages caused by the establishment of a street or highway grade or a change in the originally established grade;

(7) ~~For sales or use taxes imposed by the laws of any other state;~~

~~(8)~~ Against the person who applies the pesticide for injury or damage to property resulting from the application, but not the manufacture or sale, of a pesticide.

Sec. 25. Laws 1991, chapter 291, article 7, section 27, is amended to read:

Sec. 27. [EFFECTIVE DATE.]

Sections 2, 4, 9, 15 to 19, 21 to 24, and 26 are effective for taxable years beginning after December 31, 1990, provided that the carryover for the credit provided under Minnesota Statutes, section 290.068, subdivision 6, that is repealed by section 26, remains in effect for taxable years beginning before 2003. Sections 10 and 14 are effective the day following final enactment. Sections 1, 3, 11, 12, 13, 20, and 25 are effective for taxable years beginning after December 31, 1989.

Sec. 26. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall delete the note after section 290A.19. Effective August 1, 1990, the amendment to Minnesota Statutes, section 290A.19, made by

Laws 1990, chapter 480, article 1, section 38, paragraph (c), is of no effect.

Sec. 27. [REPEALER.]

Minnesota Statutes 1990, sections 289A.12, subdivision 1; 290.48, subdivision 7; and 297.32, subdivision 7, are repealed. Minnesota Rules, parts 8130.6100 and 8130.6800, are repealed.

Sec. 28. [EFFECTIVE DATES.]

Sections 2, 3, 7 to 9, 11, 17, 18, 25, and 27 are effective the day following final enactment.

Sections 4, 5, 6, and 12 are effective for refund offsets made on or after July 1, 1992.

Section 10 is effective for payments with corporate franchise tax returns due on or after January 1, 1992.

Section 13 is effective for returns that would have been due after the date of final enactment.

Section 14 is effective for tax years beginning after December 31, 1991.

Sections 15 and 16 are effective for tax years beginning after December 31, 1990.

Section 19 is effective for notices to withhold delinquent taxes served on or after the day following final enactment.

Section 20 is effective beginning for claims based on rent paid in 1992.

Section 21 is effective beginning with returns based on rent collected in 1992.

Sections 22 and 23 are effective retroactively for all purchases made after December 31, 1991.

Section 24 is effective for causes of action arising on or after the day following final enactment, and for causes of action arising before that date that have not expired as of the day following final enactment.

ARTICLE 8

MEED TAX CREDIT

Section 1. Minnesota Statutes 1990, section 268.672, is amended by adding a subdivision to read:

Subd. 13. [TAX CREDIT.] "Tax credit" means a Minnesota employment economic development or MEED tax credit under section 10.

Sec. 2. Minnesota Statutes 1990, section 268.672, is amended by adding a subdivision to read:

Subd. 14. [WAGE SUBSIDY.] "Wage subsidy" includes a MEED credit certificate under section 10, as well as a wage subsidy paid in money.

Sec. 3. Minnesota Statutes 1990, section 268.6751, subdivision 1, is amended to read:

Subdivision 1. [WAGE SUBSIDIES AND TAX CREDITS.] Wage subsidy money and tax credit authority must be allocated to local service units in the following manner:

(a) The commissioner shall allocate 87.5 percent of the funds or tax credit authority available for allocation to local service units for wage subsidy programs as follows: the proportion of the wage subsidy money available to each local service unit must be based on the number of unemployed persons in the local service unit for the most recent six-month period and the number of work readiness assistance cases and aid to families with dependent children cases in the local service unit for the most recent six-month period.

(b) Five percent of the money or tax credit authority available for wage subsidy programs must be allocated at the discretion of the commissioner.

(c) Seven and one-half percent of the money or tax credit authority available for wage subsidy programs must be allocated at the discretion of the commissioner to provide jobs for residents of federally recognized Indian reservations.

(d) By December 31 of each fiscal year, providers and local service units receiving wage subsidy money or tax credit authority shall report to the commissioner on the use of allocated funds. The commissioner shall reallocate uncommitted funds or tax credit authority for each fiscal year according to the formula in paragraph (a).

Sec. 4. Minnesota Statutes 1990, section 268.676, subdivision 1, is amended to read:

Subdivision 1. [AMONG JOB APPLICANTS.] (a) At least 80 percent of funds and tax credit authority allocated among eligible job applicants statewide must be allocated to:

(1) applicants who have been receiving work readiness benefits for five months or longer;

(2) applicants living in households with no other income source;

~~(2)~~ (3) applicants whose incomes and resources are less than the standards for eligibility for general assistance or work readiness;

~~(3)~~ (4) applicants who are eligible for aid to families with dependent children; and

~~(4)~~ (5) applicants who live in a farm household who demonstrate severe household financial need.

(b) If there are more eligible job applicants than available positions, the priority for allocating the positions is the order set out in paragraph (a).

Sec. 5. Minnesota Statutes 1990, section 268.677, subdivision 1, is amended to read:

Subdivision 1. To the extent allowable under federal and state law, wage subsidy money and tax credit authority must be pooled and used in combination with money from other employment and training services or income maintenance and support services. At least 75 percent of the money appropriated for wage subsidies must be used to pay wages for eligible job applicants. For each eligible job applicant employed, the maximum state contribution from any combination of public assistance grant diversion and employment and training services governed under this chapter, including wage subsidies paid in money and MEED tax credits, is $4 $6 per hour for wages ~~and $1 per hour for fringe benefits~~. The use of wage subsidies is limited as follows:

(a) For each eligible job applicant placed in private or nonprofit employment, the state may subsidize wages or provide a MEED tax credit for a maximum of 1,040 hours over a period of 26 weeks. Employers are encouraged ~~to use money from other sources~~ to provide ~~increased~~ wages above the subsidy or tax credit to applicants they employ.

(b) For each eligible job applicant participating in a job training program and placed in private sector employment, the state may

subsidize wages or provide MEED tax credits for a maximum of 1,040 hours over a period of 52 weeks.

(c) For each eligible job applicant placed in a community investment program job, the state may provide wage subsidies for a maximum of 780 hours over a maximum of 26 weeks. For an individual placed in a community investment program job, the county share of the wage subsidy shall be 25 percent. Counties may use money from sources other than public assistance and wage subsidies, including private grants, contributions from nonprofit corporations and other units of government, and other state money, to increase the wages or hours of persons employed in community investment programs.

(d) Notwithstanding the limitations of paragraphs (a) and (b), money or tax credit authority may be used to provide a state contribution for wages and fringe benefits in private sector jobs for eligible applicants who had previously held temporary jobs with eligible government and nonprofit agencies or who had previously held community investment program jobs for which a state contribution had been made, and who are among the priority groups established in section 268.676, subdivision 1. The use of money and tax credit authority under this paragraph shall be for a maximum of 1,040 hours over a maximum period of 26 weeks per job applicant.

Sec. 6. Minnesota Statutes 1990, section 268.677, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATIVE COSTS; LIMITS.] Reimbursement to the commissioner for the costs of administering wage subsidies must not exceed one-half percent of the money appropriated and tax credit authority. Reimbursements must be deposited in the general fund. Reimbursement to a local service unit for the costs of administering wage subsidies must not exceed five percent and for the purchase of supplies and materials necessary to create permanent improvements to public property must not exceed one percent of the money and tax credit authority allocated to that local service unit. The commissioner and the local service units shall reallocate money from other sources to cover the costs of administering wage subsidies whenever possible.

Sec. 7. Minnesota Statutes 1990, section 268.681, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE BUSINESSES.] A business employer is an eligible employer if it enters into a written contract, signed and subscribed to under oath, with a local service unit or its contractor, containing assurances that:

~~(a)~~ (1) funds received by a business shall be used only as permitted under sections 268.672 to 268.682;

(2) the business shall claim tax credits only for expenses for which wage subsidies paid in money may be spent under sections 268.672 to 268.682;

~~(b)~~ (3) the business has submitted information to the local service unit or its contractor ~~(1)~~ (i) describing the duties and proposed compensation of each employee proposed to be hired under the program; and ~~(2)~~ (ii) demonstrating that, with the funds provided under sections 268.672 to 268.682, the business is likely to succeed and continue to employ persons hired using wage subsidies;

~~(c)~~ (4) the business will use funds exclusively for compensation and fringe benefits of eligible job applicants and will provide employees hired with these funds with employer-paid health insurance coverage on a group basis that is available to all employees or other alternative health care coverage, and fringe benefits and other terms and conditions of employment comparable to those provided to other employees of the business who do comparable work;

~~(d)~~ (5) the funds are necessary to allow the business to begin, or to employ additional people, but not to fill positions which would be filled even in the absence of wage subsidies;

~~(e)~~ (6) the business will cooperate with the local service unit and the commissioner in collecting data to assess the result of wage subsidies; and

~~(f)~~ (7) the business is in compliance with all applicable affirmative action, fair labor, health, safety, and environmental standards.

Sec. 8. Minnesota Statutes 1990, section 268.681, subdivision 2, is amended to read:

Subd. 2. [PRIORITIES.] (a) In allocating funds among eligible businesses, the local service unit or its contractor shall give priority to:

(1) businesses engaged in manufacturing;

(2) nonretail businesses that are small businesses as defined in section 645.445; ~~and~~

(3) businesses that export products or services outside the state, or a significant percentage of whose products or services are used or consumed in the state by nonresidents; and

(4) businesses whose products are developed with materials from recycling.

(b) In addition to paragraph (a), a local service unit must give priority to businesses that:

(1) have a high potential for growth and long-term job creation;

(2) are labor intensive;

(3) make high use of local and Minnesota resources;

(4) are under ownership of women and minorities;

(5) make high use of new technology;

(6) produce energy conserving materials or services or are involved in development of renewable sources of energy; and

(7) have their primary place of business in Minnesota.

Sec. 9. Minnesota Statutes 1990, section 268.681, subdivision 3, is amended to read:

Subd. 3. [PAYBACK.] A business receiving wage subsidies or MEED tax credit certification shall repay 70 percent of the amount initially received or tax credit certified for each eligible job applicant employed, if the employee does not continue in the employment of the business beyond the six-month subsidized period. If the business has not claimed the tax credit on a tax return, the business may return the tax credit certification for a reduction in the certified amount to satisfy this requirement. If the employee continues in the employment of the business for one year or longer after the six-month subsidized period, the business need not repay any of the funds or tax credit authority received for that employee's wages. If the employee continues in the employment of the business for a period of less than one year after the expiration of the six-month subsidized period, the business shall receive a proportional reduction in the amount it must repay. If an employer dismisses an employee for good cause and works in good faith with the local service unit or its contractor to employ and train another person referred by the local service unit or its contractor, the payback formula shall apply as if the original person had continued in employment.

A repayment schedule shall be negotiated and agreed to by the local service unit and the business prior to the disbursement of the funds or provision of a tax credit certification and is subject to renegotiation. The local service unit shall forward 25 percent of the payments received under this subdivision to the commissioner on a monthly basis and shall retain the remaining 75 percent for local program expenditures. Notwithstanding section 268.677, subdivision 2, the local service unit may use up to 20 percent of its share of

the funds returned under this subdivision for any administrative costs associated with the collection of the funds under this subdivision. At least 80 percent of the local service unit's share of the funds returned under this subdivision must be used as provided in section 268.677. The commissioner shall deposit payments forwarded to the commissioner under this subdivision in the general fund.

Sec. 10. [268.6811] [MEED TAX CREDIT PROGRAM.]

Subdivision 1. [AUTHORIZATION.] A certified local service provider may provide MEED tax credits to an eligible business to the extent tax credit authority is available for the county and the provider satisfies the requirements of the law and its contract. The provider shall provide to the business a certified amount of the tax credit. The tax credit may be used to the extent the business spends money on items for which it could have spent a wage subsidy received in money. A tax credit is subject to the same restrictions that apply to subsidies received in money, as specified in the business's contract and by law.

Subd. 2. [FORM OF TAX CREDIT CERTIFICATES.] The tax credit certificates must be in a form and contain the information as prescribed by the commissioner of revenue. The commissioner of revenue shall consult with the commissioner before prescribing the form and contents of the tax credit certificates.

Subd. 3. [LIMITATION ON AMOUNT OF CREDITS.] The amount of tax credit certificates that may be issued is limited to $18,000,000 for each fiscal year. The amount of this limit is increased each year by the percentage adjustment under section 290.06, subdivision 2d, for the period in which the fiscal year began.

Subd. 4. [ALLOCATION OF CREDIT AUTHORITY.] The limit on tax credit authority must be allocated in the same manner and under the same procedures provided for appropriations of wage subsidies made in money under the Minnesota employment economic development program.

Sec. 11. Minnesota Statutes 1990, section 268.682, subdivision 1, is amended to read:

Subdivision 1. [LAYOFFS; WORK REDUCTIONS.] An eligible employer may not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring an individual with funds or tax credits available under sections 268.672 to 268.682.

Sec. 12. Minnesota Statutes 1990, section 268.682, subdivision 2, is amended to read:

Subd. 2. [HIRING DURING LAYOFFS.] An eligible employer may

not hire an individual with funds or tax credits available under sections 268.672 to 268.682 if any other person is on layoff from the same or a substantially equivalent job.

Sec. 13. Minnesota Statutes 1990, section 268.682, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CERTIFICATION.] In order to qualify as an eligible employer, a government or nonprofit agency or business must certify to the eligible local service unit:

(1) that the wage subsidy will result in an employee obtaining identifiable and portable skills and submit an on-the-job training plan to describe how portable skills will be developed; and

(2) that each job created and funded under sections 268.672 to 268.682:

(a) will result in an increase in employment opportunities over those which would otherwise be available;

(b) will not result in the displacement of currently employed workers, including partial displacement such as reduction in hours of nonovertime work, wages, or employment benefits; and

(c) will not impair existing contracts for service or result in the substitution of wage subsidy funds for other funds in connection with work that would otherwise be performed.

Sec. 14. Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. [ADDITIONS TO FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute, and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the regulated investment

company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(h) of the Internal Revenue Code, making the payment; and

(2) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code. For the purpose of this paragraph, the disallowance of itemized deductions under section 68 of the Internal Revenue Code of 1986, income tax is the last itemized deduction disallowed; and

(3) the capital gain amount of a lump sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law Number 99-514, applies; and

(4) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b), 290.9727, 290.9728, and 290.9729.; and

(5) an amount equal to the exemptions allowed under section 151 of the Internal Revenue Code, deducted in computing federal taxable income, multiplied by the applicable disallowance percentage. The disallowance percentage equals one percentage point for each $500 ($250 in the case of married separate filers) or part of $500 ($250 in the case of married separate filers) of modified adjusted gross income in excess of $100,000 for a married joint filer, $50,000 for a married separate, $85,170 for a head of household, or $56,560 for all other filers. Modified adjusted gross income is the sum of the individual's adjusted gross income under section 62 of the Internal Revenue Code and interest received or accrued by the taxpayer that is exempt from federal tax. For taxable years beginning after December 31, 1992, the dollar amounts of modified adjusted gross income must be adjusted for inflation by the percentage determined for the taxable year under section 290.06, subdivision 2d, paragraph (b). The dollar amounts must be rounded to the nearest $10, except later adjustments must be made to the unrounded amounts. The amount of the addition under this clause may not exceed the exemption deducted in computing federal taxable income.

Sec. 15. Minnesota Statutes 1990, section 290.06, is amended by adding a subdivision to read:

Subd. 25. [MEED TAX CREDIT.] (a) A credit is allowed against the liability for tax imposed by this chapter equal to the amount of the taxpayer's Minnesota employment economic development credit certificate, provided under sections 268.672 to 268.682 and applicable to a period included in the taxable year. Liability for tax imposed by this chapter includes the tax imposed under this section and sections 290.091, 290.0921, and 290.0922.

(b) In the case of a partnership or S corporation, the credit must be allocated among the partners or shareholders in proportion to their income shares of the partnership or corporation.

(c) If the amount of the credit exceeds the liability for tax, the commissioner shall refund the excess to the taxpayer.

(d) An amount sufficient to pay the amount of the credit that exceeds the taxpayer's liability for taxes under this chapter is appropriated from the general fund to the commissioner of revenue.

Sec. 16. [REVISOR INSTRUCTION.]

The revisor of statutes shall change the words "emergency job program" wherever they appear in Minnesota Statutes to "Minnesota employment economic development program."

Sec. 17. [REPEALER.]

Minnesota Statutes 1990, section 268.6751, subdivision 2, is repealed.

Sec. 18. [APPROPRIATION.]

$990,000 is appropriated from the general fund to the commissioner of jobs and training for the commissioner's and local service providers' costs of administering the MEED tax credit program.

Sec. 19. [EFFECTIVE DATE.]

Sections 14 and 15 are effective for taxable years beginning after December 31, 1991.

ARTICLE 9

MISCELLANEOUS

Section 1. Minnesota Statutes 1991 Supplement, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET AND CASH FLOW RESERVE ACCOUNT.] A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to time by law, restrict part or all of the budgetary balance in the general fund for use as the budget and cash flow reserve account. The commissioner of finance shall transfer from the budget and cash flow reserve account the amount necessary to bring the total amount, including any existing balance in the account on June 30, ~~1991~~ 1992, to ~~$400,000,000~~ $235,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under section 16A.1541.

Sec. 2. Minnesota Statutes 1990, section 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April ~~15~~ 1, June ~~15~~ 1, and December ~~15~~ 1 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies ~~and~~, domestic mutual insurance companies and marine insurance companies, shall pay to the commissioner of revenue installments equal to one-third of the insurer's total estimated tax for the current year. Except as provided in paragraph (b), installments must be based on a sum equal to two percent of the premiums described in paragraph (c).

(b) For town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) writing life insurance, or (ii) whose total assets on December 31, 1989, exceeded $1,600,000,000, the installments must be based on an amount equal to the following percentages of the premiums described in paragraph (c):

(1) for premiums paid after December 31, 1988, and before January 1, 1992, one percent; and

(2) for premiums paid after December 31, 1991, one-half of one percent.

(c) Installments under paragraph (a) or (b) are percentages of gross premiums less return premiums on all direct business received by the insurer in this state, or by its agents for it, in cash or otherwise, during such year, ~~excepting premiums written for marine insurance as specified in subdivision 6~~.

(d) Failure of a company to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (2) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this section, unless the total tax for the current tax year is $500 or less.

Sec. 3. [60A.152] [INSURANCE PREMIUM TAX EQUIVALENT PAYMENT BY AUTOMOBILE RISK SELF-INSURERS.]

Subdivision 1. [DEFINITIONS.] (a) [APPLICATION.] For purposes of this section, the definitions in paragraphs (b) to (g) apply.

(b) [AUTOMOBILE RISKS.] "Automobile risks" means the risk of providing no-fault insurance under sections 65B.41 to 65B.71.

(c) [EQUIVALENT INSURANCE PREMIUM TAX AMOUNT.] "Equivalent insurance premium tax amount" means two percent of the annual premium actually paid by a person who is comparable to the self-insurer for a motor vehicle comparable to that owned, leased, or controlled by the self-insurer and located at a place comparable to the residence of the self-insurer if the self-insurer is a natural person or at the principal place of business in Minnesota of the self-insurer if the self-insurer is not a natural person, with the determination of comparability to be made by the commissioner of commerce. The self-insurer has the burden of providing to the commissioner adequate information on comparability.

(d) [MOTOR VEHICLE.] "Motor vehicle" has the meaning given in section 65B.43, subdivision 2.

(e) [PERSON.] "Person" means an owner, as defined in section 65B.43, subdivision 4, but does not mean a political subdivision as defined in section 65B.43, subdivision 20.

(f) [SELF-INSURANCE.] "Self-insurance" means the condition of qualifying as a self-insurer by complying with section 65B.48, subdivisions 3 and 3a.

(g) [SELF-INSURER.] "Self-insurer" means a person who has arranged self-insurance for the automobile risks associated with the person's motor vehicle.

Subd. 2. [EQUIVALENT PAYMENT AMOUNT.] Every self-insurer who owns, leases, or operates a motor vehicle required to be registered or licensed in this state or principally garaged in this state for at least two months in the applicable calendar year shall pay either an annual amount of $25 per motor vehicle or an equivalent insurance premium tax amount, whichever is less. The amount required under this subdivision is payable on July 1, annually, to the commissioner of revenue. A late payment penalty is payable if the amount is not paid by July 1, and is an additional $10 payment if the total amount is paid by the next following December 1, or an additional amount equal to the original payment amount if the total amount is not paid until after the next following December 1.

Subd. 3. [DEPOSIT OF PAYMENT AMOUNT.] The amounts paid under subdivision 2 must be deposited in the general fund to the credit of the account from which the police state aid provided for in sections 69.011 to 69.051 is payable.

Subd. 4. [RULES AUTHORIZED.] The commissioner of revenue and the commissioner of commerce are authorized to make rules to permit the administration of this section.

Sec. 4. Minnesota Statutes 1991 Supplement, section 69.021, subdivision 5, is amended to read:

Subd. 5. [CALCULATION OF STATE AID.] (a) The amount of fire state aid available for apportionment shall be two percent of the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report ~~and two percent of the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report~~. This amount shall be reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations.

(b) The total amount for apportionment in respect to police state aid ~~shall not be greater or lesser than~~ is the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report ~~after subtracting~~, plus the payment amounts received under section 3 since the last aid apportionment, and reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the police relief associations. The total amount for apportionment in respect to firefighters state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report after subtracting the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations. ~~The amount for apportionment in respect to police state aid shall be distributed to the municipalities maintaining police departments and to the county on the basis of the number of active peace officers, as certified pursuant to section 69.011, subdivision 2, clause (b).~~ The commissioner shall calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

Sec. 5. Minnesota Statutes 1991 Supplement, section 69.021, subdivision 6, is amended to read:

Subd. 6. [CALCULATION OF APPORTIONMENT OF STATE PEACE OFFICERS AID TO COUNTIES.] The police state aid available ~~in respect to peace officers shall not exceed the amount of tax collected and~~ shall be distributed to the counties in proportion to

the total number of active peace officers, as defined in section 69.011, subdivision 1, clause (g), in each county who are employed either by municipalities maintaining police departments or by the county. Any necessary adjustments shall be made to subsequent apportionments.

Sec. 6. Minnesota Statutes 1990, section 373.40, subdivision 7, is amended to read:

Subd. 7. [REPEALER.] This section is repealed effective for bonds issued after July 1, ~~1993~~ 1998, but continues to apply to bonds issued before that date.

Sec. 7. Minnesota Statutes 1990, section 383.06, is amended to read:

383.06 [PAYMENT OF WARRANTS; ACCOUNTS; HOW KEPT; CERTIFICATES OF INDEBTEDNESS TO RETIRE OUTSTANDING WARRANTS.]

Subdivision 1. [PAYMENT OF WARRANTS.] The county treasurer shall pay warrants only from the fund from which they are legally payable. Payments under any special contract shall be kept separate under the name of such contract, and under the general title of the fund from which such payment may be legally made. The treasurer need not keep a specific appropriations account separately, but shall keep a general appropriations account.

Subd. 2. [TAX ANTICIPATION CERTIFICATES.] The county board may, by resolution, issue and sell as many certificates of indebtedness as may be needed in anticipation of the collection of taxes levied for any fund named in the tax levy for the purpose of raising money for such fund, but the certificates outstanding for any such separate funds shall not at any time exceed 50 percent of the amount of taxes previously levied for such fund remaining uncollected~~, and~~. No certificate shall be issued to become due and payable later than ~~December 31 of the year succeeding the year in which the tax levy was made~~ 15 months after the deadline for the certification of the property tax levy under section 275.07, subdivision 1, and the certificates shall not be sold for less than par and accrued interest. ~~No such certificates shall be issued prior to the beginning of the fiscal year for which the taxes so anticipated were intended, except that when taxes shall have been levied for the purpose of paying a deficit in any such fund carried over from any previous year or years~~ The certificates of indebtedness ~~in anticipation of collection of the taxes levied for such deficit~~ may be issued at any time after ~~such~~ the levy ~~shall have~~ has been finally made and certified to the county auditor. Each certificate shall state upon its face for which fund the proceeds thereof shall be used, the total amount of certificates so issued, and the whole amount embraced in the levy for that particular purpose. They shall be numbered consecutively, be in

denominations of $100 or a multiple thereof, may have interest coupons attached, shall be otherwise of such form and terms, and may be made payable at such place, as will best aid in their negotiation, and the proceeds of the tax assessed and collected on account of the fund and the full faith and credit of the county shall be irrevocably pledged for the redemption and payment of the certificates so issued. Such certificates shall be payable primarily from the moneys derived from the levy for the years against which such certificates were issued, but shall constitute unlimited general obligations of the county. Money derived from the sale of such certificates shall be credited to the fund or funds the taxes for which are so anticipated.

Sec. 8. Minnesota Statutes 1990, section 383A.07, is amended by adding a subdivision to read:

Subd. 30. [MANITOU RIDGE GOLF COURSE.] By June 1, 1992, the Ramsey county board shall decide whether or not to sell the Manitou Ridge golf course to the city of White Bear Lake.

(a) In the event that the county board decides not to sell the golf course, the city of White Bear Lake shall be compensated for improvements made to the Manitou Ridge golf course. The compensation shall be paid to the city of White Bear Lake by Ramsey county in one lump sum payment of $813,528.

(b) In the event that the county board decides to sell the golf course, and if the city agrees to purchase the course, the purchase price shall be $1,338,000 to be paid in 20 equal annual installments. The city of White Bear Lake shall prescribe rules for the use, operation, maintenance and control of the Manitou Ridge Golf Course. It shall prescribe fees for use of the course facilities and reasonable charges for services performed in connection with them. The city shall operate the course in a way that will best provide for its use by the public, the schools and agencies of the county.

The city shall, in the event of a change in the use of the golf course to any other use, pay to the county the unpaid balance of the purchase price upon termination of operations of the golf course. No conditions except those provided in this subdivision may be attached to the sale and purchase of the course by the county and city.

Sec. 9. Minnesota Statutes 1990, section 401.02, subdivision 3, is amended to read:

Subd. 3. [ESTABLISHMENT AND REORGANIZATION OF ADMINISTRATIVE STRUCTURE.] Any county or group of counties which have qualified for participation in the community corrections subsidy program provided by this chapter may, ~~after consultation with the judges of the district court, county court, municipal court, probate court and juvenile court having jurisdiction in the county or~~

~~group of counties~~ establish, organize, and reorganize an administrative structure and provide for the budgeting, staffing and operation of court services and probation, construction or improvement to juvenile detention and juvenile correctional facilities and adult detention and correctional facilities, and other activities required to conform to the purposes of this chapter. No contrary general or special statute divests any county or group of counties of the authority granted by this subdivision. This subdivision does not apply to Ramsey County or Hennepin County ~~or to the counties in the Arrowhead region. In Hennepin County and Ramsey County the county board and the judges of the district court, county court, municipal court, probate court and juvenile court shall prepare and implement a joint plan for reorganization of correctional services in the county providing for the administrative structure and providing for the budgeting, staffing and operation of court services and probation, juvenile detention and juvenile correctional facilities, and other activities required to conform to the purposes of this chapter. The joint plan shall be subject to the approval of the commissioner of corrections and submitted to the legislature on or before January 15, 1983.~~

Sec. 10. Minnesota Statutes 1990, section 401.05, is amended to read:

401.05 [FISCAL POWERS.]

Subdivision 1. [AUTHORIZATION TO USE AND ACCEPT FUNDS.] Any county or group of counties electing to come within the provisions of sections 401.01 to 401.16, may, through their governing bodies, use unexpended funds, accept gifts, grants and subsidies from any lawful source, and apply for and accept federal funds.

Subd. 2. [CAPITAL IMPROVEMENTS; BONDS; LEASES.] (a) A county or group of counties which acquires facilities under section 401.04 or constructs the facilities may finance the acquisition or construction and the equipping and subsequent improvement of the facilities in whole or in part by:

(1) the issuance of general obligation bonds of the county or group of counties in the manner provided in chapter 475; or

(2) the issuance of revenue bonds, secured by a lease agreement as provided in subdivision 3 and sections 469.152 to 469.165, by a city situated in any of the counties or a county housing and redevelopment authority established under chapter 469 or special law.

Proceedings for the issuance of general obligation bonds shall be instituted by the board of county commissioners of the county or boards of the group of counties.

(b) If counties have combined as authorized in section 401.02, the joint powers board created under section 471.59 shall, with the approval of the county board of each county that is a party:

(1) fix the total amount necessary for the construction or acquisition and the equipping and subsequent improvement of the facilities; and

(2) apportion to each county its share of this amount or of the annual debt service or lease rentals required to pay this amount with interest, as provided in subdivision 4.

Subd. 3. [LEASING.] (a) A county or joint powers board of a group of counties which acquires or constructs and equips or improves facilities under this chapter may, with the approval of the board of county commissioners of each county, enter into a lease agreement with a city situated within any of the counties, or a county housing and redevelopment authority established under chapter 469 or any special law. Under the lease agreement, the city or county housing and redevelopment authority shall:

(1) construct or acquire and equip or improve a facility in accordance with plans prepared by or at the request of a county or joint powers board of the group of counties and approved by the commissioner of corrections; and

(2) finance the facility by the issuance of revenue bonds.

(b) The county or joint powers board of a group of counties may lease the facility site, improvements, and equipment for a term upon rental sufficient to produce revenue for the prompt payment of the revenue bonds and all interest accruing on them. Upon completion of payment, the lessee shall acquire title. The real and personal property acquired for the facility constitutes a project and the lease agreement constitutes a revenue agreement as provided in sections 469.152 to 469.165. All proceedings by the city or county housing and redevelopment authority and the county or joint powers board must be as provided in sections 469.152 to 469.165, with the following adjustments:

(1) no tax may be imposed upon the property;

(2) the approval of the project by the commissioner of trade and economic development is not required;

(3) the commissioner of corrections must be furnished and shall record information concerning each project as the commissioner prescribes, in lieu of reports required on other projects to the commissioner of trade and economic development or energy and economic development authority;

(4) the rentals required to be paid under the lease agreement must not exceed in any year one-tenth of one percent of the market value of property within the county or group of counties as last equalized before the execution of the lease agreement;

(5) the county or group of counties must provide for payment of all rentals due during the term of the lease agreement in the manner required in subdivision 4;

(6) no mortgage on the facilities may be granted for the security of the bonds, but compliance with clause (5) may be enforced as a nondiscretionary duty of the county or group of counties; and

(7) the county or the joint powers board of the group of counties may sublease any part of the facilities for purposes consistent with their maintenance and operation.

Subd. 4. [TAX LEVIES; APPORTIONMENT OF COSTS.] The county or each county of the group of counties shall annually levy a tax in an amount necessary to defray its proportion of the net costs of maintenance and operation of the facilities, and shall levy a tax to pay the cost of construction or acquisition, equipping, and any subsequent improvement to the facilities or the retirement of any bonds or required lease payments for these purposes. Each county may levy these taxes without limitation on the rate or amount. This levy shall not cause the amount of other taxes levied or to be levied by the county, which are subject to any limitation, to be reduced in any amount. A joint powers board of the group of counties shall apportion the costs of maintenance and operation, construction or acquisition, equipping, and subsequent improvement of the facilities to each of the counties according to a formula in the agreement entered into by the counties.

Subd. 5. [CORRECTIONAL FACILITIES FUND.] All money received for the operation and maintenance, payment of indebtedness or lease payments, and construction or acquisition, equipping, and subsequent improvement of the facilities must be deposited in a correctional facilities fund maintained in the treasury of the county in which the facilities are located or any county treasury of the group of counties as designated by the joint powers board. Payments from the fund may only be made upon certification of the chair or board designee that the expenditures have been approved at a meeting of the board.

Sec. 11. Minnesota Statutes 1990, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. The aggregate principal amount of bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of ~~$1,990,000,000~~ $2,400,000,000.

Sec. 12. Minnesota Statutes 1990, section 469.153, subdivision 2, is amended to read:

Subd. 2. [PROJECT.] (a) "Project" means (1) any properties, real or personal, used or useful in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged or to be engaged in generating, transmitting, or distributing electricity, assembling, fabricating, manufacturing, mixing, processing, storing, warehousing, or distributing any products of agriculture, forestry, mining, or manufacture, or in research and development activity in this field; (2) any properties, real or personal, used or useful in the abatement or control of noise, air, or water pollution, or in the disposal of solid wastes, in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged or to be engaged in any business or industry; (3) any properties, real or personal, used or useful in connection with the business of telephonic communications, conducted or to be conducted by a telephone company, including toll lines, poles, cables, switching, and other electronic equipment and administrative, data processing, garage, and research and development facilities; (4) any properties, real or personal, used or useful in connection with a district heating system, consisting of the use of one or more energy conversion facilities to produce hot water or steam for distribution to homes and businesses, including cogeneration facilities, distribution lines, service facilities, and retrofit facilities for modifying the user's heating or water system to use the heat energy converted from the steam or hot water.

(b) "Project" also includes any properties, real or personal, used or useful in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged in any business.

(c) "Project" also includes any properties, real or personal, used or useful for the promotion of tourism in the state. Properties may include hotels, motels, lodges, resorts, recreational facilities of the type that may be acquired under section 471.191, and related facilities.

(d) "Project" also includes any properties, real or personal, used or useful in connection with a revenue producing enterprise, whether or not operated for profit, engaged in providing health care services, including hospitals, nursing homes, and related medical facilities.

(e) "Project" does not include any property to be sold or to be affixed to or consumed in the production of property for sale, and does not include any housing facility to be rented or used as a permanent residence.

(f) "Project" also means the activities of any revenue producing enterprise involving the construction, fabrication, sale, or leasing of

equipment or products to be used in gathering, processing, generating, transmitting, or distributing solar, wind, geothermal, biomass, agricultural or forestry energy crops, or other alternative energy sources for use by any person or any residential, commercial, industrial, or governmental entity in heating, cooling, or otherwise providing energy for a facility owned or operated by that person or entity.

(g) "Project" also includes any properties, real or personal, used or useful in connection with a county jail ~~or~~, county regional jail, community corrections facilities authorized by chapter 401, or other law enforcement facilities, the plans for which are approved by the commissioner of corrections; provided that the provisions of section 469.155, subdivisions 7 and 13, do not apply to those projects.

(h) "Project" also includes any real properties used or useful in furtherance of the purposes and policies of sections 469.135 to 469.141.

(i) "Project" also includes related facilities as defined by section 471A.02, subdivision 11.

(j) "Project" also includes an undertaking to purchase the obligations of local governments located in whole or in part within the boundaries of the municipality that are issued or to be issued for public purposes.

Sec. 13. Minnesota Statutes 1990, section 641.24, is amended to read:

641.24 [LEASING.]

The county may, by resolution of the county board, enter into a lease agreement with any statutory or home rule charter city situated within the county, or a county housing and redevelopment authority established pursuant to chapter ~~462~~ 469 or any special law whereby the city or county housing and redevelopment authority will construct a jail or other law enforcement facilities for the county sheriff, deputy sheriffs, and other employees of the sheriff and other law enforcement agencies, in accordance with plans prepared by or at the request of the county board and, when required, approved by the commissioner of corrections and will finance it by the issuance of revenue bonds, and the county may lease the ~~jail~~ site and improvements for a term and upon rentals sufficient to produce revenue for the prompt payment of the bonds and all interest accruing thereon and, upon completion of payment, will acquire title thereto. The real and personal property acquired for the jail shall constitute a project and the lease agreement shall constitute a revenue agreement as contemplated in chapter ~~474~~ 469, and all proceedings shall be taken by the city or county housing and redevelopment authority and the

county in the manner and with the force and effect provided in chapter ~~474~~ 469; provided that:

(1) no tax shall be imposed upon or in lieu of a tax upon the property;

(2) the approval of the project by the commissioner of commerce shall not be required;

(3) the department of corrections shall be furnished and shall record such information concerning each project as it may prescribe, in lieu of reports required on other projects to the commissioner of trade and economic development;

(4) the rentals required to be paid under the lease agreement shall not exceed in any year one-tenth of one percent of the market value of property within the county, as last finally equalized before the execution of the agreement;

(5) the county board shall provide for the payment of all rentals due during the term of the lease, in the manner required in section 641.264, subdivision 2;

(6) no mortgage on the ~~jail~~ property shall be granted for the security of the bonds, but compliance with clause (5) hereof may be enforced as a nondiscretionary duty of the county board; and

(7) the county board may sublease any part of the jail property for purposes consistent with the maintenance and operation of a county jail or other law enforcement facility.

Sec. 14. Laws 1971, chapter 773, section 1, subdivision 2, as amended by Laws 1974, chapter 351, section 5, Laws 1976, chapter 234, section 7, Laws 1978, chapter 788, section 1, Laws 1981, chapter 369, section 1, Laws 1983, chapter 302, section 1, and Laws 1988, chapter 513, section 1, is amended to read:

Subd. 2. For each of the years through ~~1993, inclusive~~ 1998, the city of St. Paul is authorized to issue bonds in the aggregate principal amount of $8,000,000 for each year; or in an amount equal to one-fourth of one percent of the assessors estimated market value of taxable property in St. Paul, whichever is greater, provided that no more than $8,000,000 of bonds is authorized to be issued in any year, unless St. Paul's local general obligation debt as defined in this section is less than six percent of market value calculated as of December 31 of the preceding year; but at no time shall the aggregate principal amount of bonds authorized exceed ~~$11,300,000 in 1987, $12,000,000 in 1988, $13,300,000 in 1989, $14,000,000 in 1990, $14,800,000 in 1991,~~ $15,700,000 in 1992, ~~and~~ $16,600,000 in

1993, $16,600,000 in 1994, $16,600,000 in 1995, $17,500,000 in 1996, $17,500,000 in 1997, and $18,000,000 in 1998.

Sec. 15. Laws 1971, chapter 773, section 2, as amended by Laws 1978, chapter 788, section 2, Laws 1983, chapter 302, section 2, and Laws 1988, chapter 513, section 2, is amended to read:

Sec. 2. The proceeds of all bonds issued pursuant to section 1 hereof shall be used exclusively for the acquisition, construction, and repair of capital improvements and, commencing in the year ~~1989~~ 1992 and notwithstanding any provision in Laws 1978, chapter 788, section 5, as amended, for redevelopment project activities as defined in Minnesota Statutes, section 469.002, subdivision 14, in accordance with Minnesota Statutes, section 469.041, clause (6), or for youth development, service, or employment programs of a capital nature. The amount of proceeds of bonds authorized by section 1 used for redevelopment project activities shall not exceed ~~$530,000 in 1988, $560,000 in 1989, $590,000 in 1990, $620,000 in 1991,~~ $655,000 in 1992, ~~and~~ $690,000 in 1993, $690,000 in 1994, $690,000 in 1995, $700,000 in 1996, $700,000 in 1997, and $725,000 in 1998.

None of the proceeds of any bonds so issued shall be expended except upon projects which have been reviewed, and have received a priority rating, from a capital improvements committee consisting of 18 members, of whom a majority shall not hold any paid office or position under the city of St. Paul. The members shall be appointed by the mayor, with at least four members from each Minnesota senate district located entirely within the city and at least two members from each senate district located partly within the city. Prior to making an appointment to a vacancy on the capital improvement budget committee, the mayor shall consult the legislators of the senate district in which the vacancy occurs. The priorities and recommendations of the committee shall be purely advisory, and no buyer of any bonds shall be required to see to the application of the proceeds.

Sec. 16. [JOINT TAX ADVISORY COMMITTEE.]

The city of St. Paul, independent school district No. 625, and Ramsey county may establish a St. Paul joint tax levy advisory committee. The committee shall elect a chair from among its members and shall meet from time to time to make appropriate recommendations for the efficient and effective use of property tax dollars raised by levies by the jurisdictions for programs, buildings, and operations.

Sec. 17. [RICHFIELD; TAX INCREMENT.]

Subdivision 1. [COMPUTATION OF TAX INCREMENT.] Notwithstanding the provisions of Minnesota Statutes, section 469.177, subdivision 3, paragraph (c), the governing body of the city of

Richfield may change its election of a method for computing tax increment for the tax increment financing district certified on December 5, 1985, and known as the Interstate, Lyndale, Nicollet District. The governing body may change its election from the computation in Minnesota Statutes, section 469.177, subdivision 3, paragraph (b), to the computation in Minnesota Statutes, section 469.177, subdivision 3, paragraph (a), or the alternative method described in subdivision 2.

Subd. 2. [ALTERNATIVE CALCULATION METHOD.] Pursuant to the election authorized in subdivision 1, the governing body of the city of Richfield may elect the following method of computation:

(1) The original net tax capacity must be determined before the application of the fiscal disparity provisions of Minnesota Statutes, chapter 473F. The current net tax capacity must exclude any fiscal disparity commercial-industrial net tax capacity increase between the original year and the current year multiplied by a ratio that is less than the fiscal disparity ratio determined pursuant to Minnesota Statutes, section 473F.08, subdivision 6. The ratio, which must be a percentage of the fiscal disparity ratio, must be determined by the governing body and must remain in effect during the term of the district. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured net tax capacity and no tax increment determination.

(2) The county auditor shall exclude the retained captured net tax capacity of the authority from the net tax capacity of the local taxing districts in determining local taxing district tax capacity rates. The tax capacity rates so determined must be extended against the retained captured net tax capacity of the authority as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the lesser of (i) the local taxing district tax capacity rates or (ii) the original tax capacity rate to the retained captured net tax capacity of the authority is the tax increment of the authority.

Sec. 18. [MINNEAPOLIS; PLAZA AND PARKING BONDS.]

Subdivision 1. [AUTHORIZATION.] The city of Minneapolis may issue and sell general obligation bonds for the acquisition of land for and the construction of:

(a) a plaza and public parking facility adjacent to a federal courts facility to be located in downtown Minneapolis;

(b) a city garage and parking facility to replace facilities located on property to be used for the federal courts facility; and

(c) a connecting tunnel and other appurtenant facilities.

Subd. 2. [CONDITIONS.] The bonds shall be issued and sold under Minnesota Statutes, chapter 475, except that the bonds are not subject to the election requirements of chapter 475 or the charter of the city regardless of the amount of the bonds. The bonds shall not be included in computing the net debt of the city under law or charter. The powers granted by this section are in addition to the powers which the city may exercise under other law or charter.

Sec. 19. [CITY OF MINNEAPOLIS; DURATION OF TAX INCREMENT DISTRICT.]

Notwithstanding Minnesota Statutes, section 469.176, subdivision 1, the duration of the Laurel Village tax increment financing district, district No. 64, located within the city of Minneapolis, may be extended by the authority through the year 2015. Any increment received for the years 2013 to 2015 may only be utilized to pay obligations provided for under the Laurel Village contract for private development, including use for payment of or to secure payment of, debt service on bonds issued in aid of the Laurel Village project or bonds issued to refund those bonds. Any increment received for years 2013 to 2015 that is not used for the purposes described in this section must be paid proportionately to the municipality, county, and school district as provided in Minnesota Statutes, section 469.176, subdivision 2.

Sec. 20. [APPROPRIATIONS; TAX SAMPLE.]

$75,000 is appropriated to the commissioner of revenue for purposes of preparing a microdata sample of individual income tax returns and other data for taxable year 1991. This appropriation may be used in either fiscal year 1992 or 1993.

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, section 60A.15, subdivision 6, is repealed.

Sec. 22. [EFFECTIVE DATE.]

Sections 2 and 21 are effective for taxable years beginning after December 31, 1992, except that the date changes in section 2 are effective for payments due on or after December 1, 1992.

Section 3 is effective January 1, 1992.

Sections 4 and 5 are effective July 1, 1992.

Sections 7 to 13 are effective the day following final enactment.

Sections 14 and 15 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of St. Paul.

Section 17 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Richfield.

Section 18 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Minneapolis."

Delete the title and insert:

"A bill for an act relating to the financing and operation of government in Minnesota; changing the funding and payment of certain aids to local governments; modifying the administration, computation, collection, and enforcement of taxes and refunds; changing tax rates, bases, credits, exemptions, and payments; reducing the amount in the budget and cash flow reserve account; updating references to the Internal Revenue Code; changing certain bonding provisions; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, and watershed districts; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 60A.19, subdivision 6; 103B.241; 103B.335; 103F.221, subdivision 3; 124.2131, subdivision 1; 174.27; 268.672, by adding subdivisions; 268.6751, subdivision 1; 268.676, subdivision 1; 268.677, subdivisions 1 and 2; 268.681, subdivisions 1, 2, and 3; 268.682, subdivisions 1, 2, and 3; 270.075, subdivision 1; 270A.05; 270A.07, subdivisions 1 and 2; 270A.11; 270B.01, subdivision 8; 271.06, subdivision 7; 272.02, by adding a subdivision; 272.115; 273.11, by adding subdivisions; 273.13, subdivision 24; 273.135, subdivision 2; 274.19, subdivision 8; 274.20, subdivisions 1, 2, and 4; 278.01, subdivision 2; 278.02; 282.01, subdivision 7; 282.012; 282.09, subdivision 1; 282.241; 282.36; 289A.25, by adding a subdivision; 289A.26, subdivisions 3, 4, 7, and 9; 289A.50, subdivision 5; 290.05, subdivision 4; 290.06, by adding a subdivision; 290.091, subdivision 6; 290.0922, subdivision 2; 290.9201, subdivision 11; 290.923, by adding a subdivision; 290A.03, subdivision 8; 290A.19; 290A.23; 297A.01, by adding a subdivision; 297A.02, by adding a subdivision; 297A.14, subdivision 1; 297A.15, subdivisions 5 and 6; 297A.25, subdivisions 11, 45, and by adding subdivisions; 297B.01, subdivision 8; 327C.01, by adding a subdivision; 327C.12; 373.40, subdivision 7; 383.06; 383A.07, by adding a subdivision; 383B.152; 398A.06, subdivision 2; 401.02, subdivision 3; 401.05; 414.0325, by adding a subdivision; 414.033, subdivisions 2, 3, 5, and by adding a subdivision; 462A.22, subdivision 1; 469.107, subdivision 2; 469.153, subdivision 2; 469.177, subdivision 1a; 471.571, subdivision 2; 473.388, subdivision 4; 473.446, subdivision 1; 473.711, subdivision

2; 473H.10, subdivision 3; 477A.013, subdivision 5; 477A.015; 477A.12; 477A.13; 488A.20, subdivision 4; 541.07; and 641.24; Minnesota Statutes 1991 Supplement, sections 4A.02; 16A.15, subdivision 6; 16A.711, subdivision 4; 47.209; 69.021, subdivisions 5 and 6; 124A.23, subdivision 1; 256.025, subdivisions 3 and 4; 256E.05, subdivision 3; 256E.09, subdivision 6; 270A.04, subdivision 2; 270A.08, subdivision 2; 271.21, subdivision 6; 272.02, subdivision 1; 273.11, subdivision 1; 273.124, subdivisions 1, 6, 9, and 13; 273.13, subdivisions 22, 25, as amended, and 32; 273.1398, subdivisions 5 and 7; 273.1399; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 5 and 6j; 276.04, subdivision 2; 277.17; 278.01, subdivision 1; 278.05, subdivision 6; 279.01, subdivision 1; 279.03, subdivision 1a; 281.17; 289A.20, subdivisions 1 and 4; 289A.26, subdivisions 1 and 6; 290.01, subdivisions 19 and 19a; 290.06, subdivision 23; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 8; 290.0922, subdivision 1; 290.92, subdivision 23; 290A.04, subdivision 2h; 297A.01, subdivision 3; 297A.135, subdivision 1, and by adding a subdivision; 297A.21, subdivision 4; 297A.25, subdivision 12, as amended; 375.192, subdivision 2; 423A.02, subdivision 1a; and 477A.011, subdivisions 27 and 29; Laws 1971, chapter 773, sections 1, subdivision 2, as amended; and 2, as amended; Laws 1990, chapter 604, article 6, section 11; Laws 1991, chapter 291, articles 2, section 3; and 7, section 27; proposing coding for new law in Minnesota Statutes, chapters 13; 60A; 207A; 216B; 268; 275; 289A; 290A; 297; 473F; and 477A; repealing Minnesota Statutes 1990, sections 60A.15, subdivision 6; 134.342, subdivisions 2 and 4; 268.6751, subdivision 2; 289A.12, subdivision 1; 290.48, subdivision 7; 297.32, subdivision 7; and 414.031, subdivision 5; Minnesota Statutes 1991 Supplement, sections 271.04, subdivision 2; 273.124, subdivision 15; 295.367; and 477A.03, subdivision 1."

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

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

S. F. No. 979, A bill for an act relating to crimes; providing that it is a misdemeanor to sell a toxic substance containing butane to a minor; moving certain misdemeanor provisions to the criminal code; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1990, sections 145.38; 145.385; and 145.39.

Reported the same back with the following amendments:

Page 2, line 31, delete "1991" and insert "1992"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1750, 2488, 2623, 2624, 2695 and 2878 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 512, 1691, 1787, 1794, 1985, 2257, 2328, 2392 and 979 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

O'Connor introduced:

H. F. No. 3013, A bill for an act relating to taxation; providing for manufacturing opportunity districts in certain cities; providing tax credits and exemptions for certain industries located in a manufacturing opportunity district; proposing coding for new law in Minnesota Statutes, chapter 469.

The bill was read for the first time and referred to the Committee on Taxes.

Long, Greenfield, Skoglund and Wagenius introduced:

H. F. No. 3014, A bill for an act relating to the city of Minneapolis; permitting the city to extend the duration of a tax increment financing district.

The bill was read for the first time and referred to the Committee on Taxes.

Wenzel, Bodahl, Jennings, Dauner and Koppendrayer introduced:

H. F. No. 3015, A bill for an act relating to agriculture; establishing a state over-order premium milk price for dairy farmers for certain milk; requiring an annual report; proposing coding for new law in Minnesota Statutes, chapter 32.

The bill was read for the first time and referred to the Committee on Agriculture.

Bertram introduced:

H. F. No. 3016, A bill for an act proposing an amendment to the Minnesota Constitution, article I, by adding a section; authorizing the death penalty for first degree murder.

The bill was read for the first time and referred to the Committee on Judiciary.

Omann, Gruenes, Goodno, Bettermann and Uphus introduced:

H. F. No. 3017, A resolution making application to the Congress of the United States to adopt an amendment to the Constitution of the United States, for submission to the States, to require, with certain exceptions, that the Federal budget be balanced.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Skoglund, Welle, Gruenes, Rodosovich and Winter introduced:

H. F. No. 3018, A bill for an act relating to insurance; no-fault auto; regulating medical expense benefits; authorizing reparation obligors to offer medical expense benefits through approved managed care plans; authorizing the commissioner of commerce to approve these plans; requiring appropriate premium reductions; amending Minnesota Statutes 1990, section 65B.49, subdivision 2.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 980, A bill for an act relating to the legislature; authorizing joint legislative commissions to issue subpoenas; amending Minnesota Statutes 1990, section 3.153.

H. F. No. 2397, A bill for an act relating to pipelines; regulating liquefied natural gas facilities; amending Minnesota Statutes 1990, sections 299J.02, subdivisions 12, 13, and by adding subdivisions; 299J.04; 299J.07, subdivision 1; 299J.10; 299J.12, subdivisions 2 and 3; and 299J.15.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1763, A bill for an act relating to state lands; authorizing the conveyance or release of a state easement in Faribault.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2254, A bill for an act relating to occupations and professions; clarifying membership requirements for the board of pharmacy; amending Minnesota Statutes 1991 Supplement, section 151.03.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2375, A bill for an act relating to metropolitan government; providing a name for the transportation accessibility advisory committee; amending Minnesota Statutes 1990, section 473.386, subdivisions 2 and 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1948, A bill for an act relating to life insurance; authorizing policies for the benefit of a charity; proposing coding for new law in Minnesota Statutes, chapters 61A; and 309.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carruthers moved that the House refuse to concur in the Senate amendments to H. F. No. 1948, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1805, 2234, 2368, 2728, 1319, 2088, 2383, 2037, 2352, 2628 and 1605.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1778, 1938, 2430, 2694, 2389, 2499, 1558, 1898, 2111, 1876 and 2282.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2028, 2094, 2298, 2299, 1725, 2136, 1755, 1972, 2319, 1644, 1841 and 2247.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1805, A bill for an act relating to human services; requiring reporting of legally blind persons to Minnesota state services for the blind and visually handicapped; modifying the duties of the commissioner of jobs and training; removing a council's expiration date; amending Minnesota Statutes 1990, sections 248.07, subdivisions 1 and 5; and 248.10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 248.

The bill was read for the first time.

Boo moved that S. F. No. 1805 and H. F. No. 2286, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2234, A bill for an act relating to occupations and professions; modifying disciplinary requirements of the board of social work; allowing the issuance of practice permits; clarifying requirements for changes in licensure level; providing penalties; amending Minnesota Statutes 1990, sections 148B.04, by adding a subdivision; 148B.15; 148B.18, subdivisions 9 and 12; 148B.21, subdivision 2, and by adding subdivisions; 148B.22, subdivision 2; 148B.27, subdivision 3; 148B.28, subdivision 2; Minnesota Statutes 1991 Supplement, sections 148B.04, subdivision 3; 148B.05, subdivision 1; 148B.07, subdivision 3; 148B.08, subdivision 1, and by adding a subdivision; and 148B.175, subdivisions 3, 4, 5, and 8; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1990, section 148B.05, subdivision 2.

The bill was read for the first time.

Dorn moved that S. F. No. 2234 and H. F. No. 2579, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2368, A bill for an act relating to probate; enacting the uniform transfer on death security registration act; providing for rights of creditors and revocation of beneficiary designation by will; proposing coding for new law in Minnesota Statutes, chapter 524.

The bill was read for the first time.

Pugh moved that S. F. No. 2368 and H. F. No. 2541, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2728, A bill for an act relating to agriculture; establishing a state over-order premium milk price for dairy farmers for certain milk; proposing coding for new law in Minnesota Statutes, chapter 32A.

The bill was read for the first time.

Wenzel moved that S. F. No. 2728 and H. F. No. 2733, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1319, A bill for an act relating to the practice of law; allowing the sole shareholder of a corporation to appear on behalf of the corporation in court; amending Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3.

The bill was read for the first time.

Milbert moved that S. F. No. 1319 and H. F. No. 1441, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2088, A bill for an act relating to corporations; making miscellaneous changes in provisions dealing with the organization and operation of nonprofit corporations; amending Minnesota Statutes 1990, sections 317A.011, subdivision 14; 317A.111, subdivision 3; 317A.227; 317A.251, subdivision 3; 317A.255, subdivisions 1, 2, and by adding a subdivision; 317A.341, subdivision 2; 317A.431, subdivision 2; 317A.447; 317A.461; 317A.751, subdivision 3; 317A.821, subdivision 3; and 317A.827, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 317A.821, subdivision 2; 317A.823; and 317A.827, subdivision 1.

The bill was read for the first time.

Pugh moved that S. F. No. 2088 and H. F. No. 2402, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2383, A bill for an act relating to peace officers; affording qualified federal law enforcement officers the authority of peace officers when assigned to special state and federal task forces; proposing coding for new law in Minnesota Statutes, chapter 626.

The bill was read for the first time.

Vellenga moved that S. F. No. 2383 and H. F. No. 2610, now on

General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2037, A bill for an act relating to public employment; requiring the commissioner of the bureau of mediation services to adopt a uniform baseline determination document and a uniform collective bargaining agreement settlement document and to prescribe procedures for the use of these documents; amending Minnesota Statutes 1990, section 179A.04, subdivision 3.

The bill was read for the first time.

Bauerly moved that S. F. No. 2037 and H. F. No. 1133, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2352, A bill for an act relating to retirement; Austin fire department relief association; authorizing an actuarial assumption change; providing various benefit increases; authorizing board member per diem payments.

The bill was read for the first time.

Reding moved that S. F. No. 2352 and H. F. No. 2014, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2628, A bill for an act relating to public safety officers; defining firefighters for purposes of the public safety officer's survivor benefits law; amending Minnesota Statutes 1990, section 299A.41, subdivision 4.

The bill was read for the first time.

O'Connor moved that S. F. No. 2628 and H. F. No. 2827, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1605, A bill for an act relating to lawful gambling; regulating the conduct of lawful gambling, licensed organizations, distributors, and manufacturers; authorizing certain expenditures for senior citizens, real estate taxes and assessments, noncash gifts for blood donors, wildlife management projects, and the combined receipts tax as lawful purposes; placing employment restrictions on members or employees of the board; changing requirements for the annual financial audit; increasing the aggregate value of cover-all prizes and total prizes for bingo; adding bonanza bingo as a form of

bingo; increasing maximum prizes for pull-tabs; amending Minnesota Statutes 1990, sections 299L.03, subdivisions 1 and 2; 349.12, subdivisions 1, 11, 18, 21, 23, 30, and by adding a subdivision; 349.153; 349.16, subdivision 8; 349.161, subdivisions 1, 3, and 5; 349.162, subdivisions 1, 2, 4, and 5; 349.163, subdivisions 1, 1a, 3, 4, 5, and 6; 349.164, subdivisions 1, 3, and 6; 349.1641; 349.166; 349.168, subdivisions 3 and 6; 349.169, subdivision 2; 349.174; 349.18, subdivision 2; 349.19, subdivision 6; 349.191, subdivisions 1 and 4; 349.211, subdivisions 1, 2, and 2a; 349.2124; 349.2125, subdivisions 1 and 3; and 349.2127, subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections 299L.07, by adding a subdivision; 349.12, subdivision 25; 349.17, subdivision 5; 349.151, subdivision 4; 349.154, subdivision 2; 349.167, subdivision 4; 349.18, subdivisions 1 and 1a; 349.19, subdivisions 5 and 9; and 349.213, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 471.

The bill was read for the first time.

Osthoff moved that S. F. No. 1605 and H. F. No. 1750, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1778, A resolution memorializing Congress to refrain from imposing upon the states' constitutional authority to regulate traffic and motor vehicle safety within their respective boundaries, and specifically, to refrain from mandating the passage of state laws requiring the use of motorcycle helmets, safety belts, and child restraint systems.

The bill was read for the first time.

Dempsey moved that S. F. No. 1778 and H. F. No. 2029, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1938, A bill for an act relating to landlords and tenants; providing for assignment to the county attorney of the landlord's right to evict for breach of the covenant not to sell drugs or permit their sale; clarifying the law on forfeiture of real estate interests related to contraband or controlled substance seizures; amending Minnesota Statutes 1990, sections 504.181, subdivision 2; and 609.5317, subdivision 1.

The bill was read for the first time.

Dawkins moved that S. F. No. 1938 and H. F. No. 2076, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2430, A bill for an act relating to the environment; adding sanctions and procedures relating to petroleum tank release consultants and contractors; amending Minnesota Statutes 1990, sections 115C.02, by adding subdivisions; 115C.03, by adding a subdivision; 116.48, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 115C.

The bill was read for the first time.

Krueger moved that S. F. No. 2430 and H. F. No. 2624, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2694, A bill for an act relating to courts; authorizing Ramsey county to provide for a single suburban court facility; amending Minnesota Statutes 1990, sections 488A.18, subdivision 10; and 488A.185.

The bill was read for the first time.

McGuire moved that S. F. No. 2694 and H. F. No. 2757, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2389, A bill for an act relating to natural resources; allowing use of alternative rulemaking procedures for certain rules of the commissioner of natural resources; regulating activities relating to stromatolites; changing definitions; modifying provisions relating to game refuges, scientific and natural areas, experimental waters, and special management waters; expanding certain authorities relating to deer licenses; exempting certain rules of the commissioner from the administrative procedure act; allowing nonmetal tags for fish nets; authorizing rulemaking; amending Minnesota Statutes 1990, sections 86A.05, subdivision 5; 97A.015, subdivisions 15 and 40; 97A.085, subdivisions 2, 3, 4, 5, 8, and by adding a subdivision; 97A.411, subdivision 3; 97A.485, subdivision 9; 97C.001; 97C.005; 97C.351; and 103G.615, subdivision 3; Minnesota Statutes 1991 Supplement, sections 14.29, subdivision 4; and 97A.093; and Laws 1991, chapter 259, section 25, as amended; proposing coding for new law in Minnesota Statutes, chapter 84.

The bill was read for the first time.

Weaver moved that S. F. No. 2389 and H. F. No. 2612, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2499, A bill for an act relating to natural resources; authorizing the establishment of the Mille Lacs preservation and development board; proposing coding for new law in Minnesota Statutes, chapter 103F.

The bill was read for the first time.

Munger moved that S. F. No. 2499 and H. F. No. 2878, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1558, A bill for an act relating to retirement; Duluth fire and police pension plans; authorizing a joint consolidation account in the event of the consolidation of the Duluth fire department relief association with the public employees police and fire fund.

The bill was read for the first time.

Jaros moved that S. F. No. 1558 and H. F. No. 1692, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1898, A bill for an act relating to education; prohibiting the use of all tobacco products in public elementary and secondary schools; amending Minnesota Statutes 1990, section 144.413, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144.

The bill was read for the first time.

Hasskamp moved that S. F. No. 1898 and H. F. No. 2093, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2111, A bill for an act relating to living wills; adding certain information to the suggested health care declaration form; amending Minnesota Statutes 1990, section 145B.04.

The bill was read for the first time.

Jaros moved that S. F. No. 2111 and H. F. No. 2316, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1876, A bill for an act relating to occupations and professions; board of medical practice; clarifying requirements for

granting medical licenses; amending Minnesota Statutes 1991 Supplement, section 147.03.

The bill was read for the first time and referred to the Committee on Health and Human Services.

S. F. No. 2282, A bill for an act relating to state government; regulating administrative rulemaking; providing for corrective legislation; extending the response period that precedes the writing of an administrative law judge's report on rules adopted after public hearing; requiring the attorney general and administrative law judge to disregard harmless errors; regulating notices; amending Minnesota Statutes 1990, sections 3C.04, subdivision 4; 14.115, subdivision 5; 14.15, subdivision 1, and by adding a subdivision; 14.22; 14.26; 14.30; and 14.32.

The bill was read for the first time.

Carruthers moved that S. F. No. 2282 and H. F. No. 2231, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2028, A bill for an act relating to agriculture; changing requirements for pesticide registration applications; amending Minnesota Statutes 1990, section 18B.26, subdivision 2.

The bill was read for the first time.

Cooper moved that S. F. No. 2028 and H. F. No. 2853, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2094, A bill for an act relating to the one call excavation notice system; authorizing land surveyors to receive location information related to underground facilities; requiring notice of land surveys; amending Minnesota Statutes 1990, sections 216D.01, subdivision 8, and by adding subdivisions; and 216D.04.

The bill was read for the first time and referred to the Committee on Regulated Industries.

S. F. No. 2298, A bill for an act relating to watershed districts; requiring counties to provide public notice prior to making watershed district manager appointments; modifying requirements for appointing watershed district managers; exempting watershed districts from permit fees charged by political subdivisions; requiring watershed district audits by certified public accountants or the state

auditor under certain circumstances; clarifying procedures for appealing watershed district decisions; allowing recovery of attorney fees; amending Minnesota Statutes 1990, sections 103D.311, subdivisions 2 and 3; 103D.335, by adding a subdivision; 103D.355, subdivision 1; 103D.535, subdivision 1; and 103D.545, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103D.

The bill was read for the first time.

Peterson moved that S. F. No. 2298 and H. F. No. 2320, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2299, A bill for an act relating to state trails; providing for the establishment of the Blufflands Trail System; amending Minnesota Statutes 1990, section 85.015, subdivision 7.

The bill was read for the first time.

Pelowski moved that S. F. No. 2299 and H. F. No. 2842, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1725, A bill for an act relating to public investments; providing that certain debt or equity securities are not approved for investment; amending Minnesota Statutes 1990, sections 11A.24, by adding a subdivision; and 473.666.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 2136, A bill for an act relating to labor; protecting interests of employees following railroad acquisitions; imposing a penalty; amending Minnesota Statutes 1990, sections 222.86, subdivision 3; 222.87, by adding a subdivision; and 222.88.

The bill was read for the first time.

Farrell moved that S. F. No. 2136 and H. F. No. 2185, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1755, A bill for an act relating to local government; compensating the city of White Bear Lake by Ramsey county for improvements made to the Manitou Ridge Golf Course; amending Minnesota Statutes 1990, section 383A.07, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 1972, A bill for an act relating to highways; directing the commissioner of transportation to erect a directional sign on interstate highway No. 94 in St. Paul.

The bill was read for the first time and referred to the Committee on Transportation.

S. F. No. 2319, A bill for an act relating to wetlands; making technical and other minor changes to the wetland conservation act of 1991; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 84.036; 103F.612, subdivision 2; 103F.616; 103F.901, subdivisions 5 and 8; 103F.902; 103F.903, subdivisions 1 and 4; 103F.904; 103G.005, subdivisions 10a and 19; 103G.222; 103G.2241, subdivision 1; 103G.2242, subdivisions 6 and 7; 103G.2369, subdivisions 2 and 3; 103G.237, subdivision 4, and by adding a subdivision; and 275.295.

The bill was read for the first time.

Munger moved that S. F. No. 2319 and H. F. No. 2421, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1644, A bill for an act relating to commerce; regulating negotiable instruments; adopting the revised article 3 of the Uniform Commercial Code with conforming amendments to articles 1 and 4 approved by the American Law Institute and the National Conference of Commissioners on Uniform State Laws; prohibiting certain methods of authorizing electronic fund transfers from consumer accounts; amending Minnesota Statutes 1990, sections 336.1-201; 336.1-207; 336.4-101; 336.4-102; 336.4-103; 336.4-104; 336.4-105; 336.4-106; 336.4-107; 336.4-108; 336.4-201; 336.4-202; 336.4-203; 336.4-204; 336.4-205; 336.4-206; 336.4-207; 336.4-208; 336.4-209; 336.4-210; 336.4-211; 336.4-212; 336.4-213; 336.4-214; 336.4-301; 336.4-302; 336.4-303; 336.4-401; 336.4-402; 336.4-403; 336.4-404; 336.4-405; 336.4-406; 336.4-407; 336.4-501; 336.4-502; 336.4-503; and 336.4-504; proposing coding for new law in Minnesota Statutes, chapters 325G; and 336; repealing Minnesota Statutes 1990, sections 336.3-101 to 336.3-805; and 336.4-109.

The bill was read for the first time.

Farrell moved that S. F. No. 1644 and H. F. No. 1892, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1841, A bill for an act relating to commerce; consumer protection; regulating the sale of dogs and cats by pet dealers; prescribing penalties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

The bill was read for the first time.

Dawkins moved that S. F. No. 1841 and H. F. No. 2043, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2247, A bill for an act relating to human services; prohibiting the commissioner from adopting rules requiring counties to separate their public guardianship function from their case management function, unless state funding is provided to cover county costs; requiring a report.

The bill was read for the first time.

Segal moved that S. F. No. 2247 and H. F. No. 2532, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Simoneau was excused for the remainder of today's session.

CONSENT CALENDAR

S. F. No. 2013 was reported to the House.

Krambeer moved to amend S. F. No. 2013, as follows:

Page 1, line 8, after "the" insert "non-Native-American"

Amend the title as follows:

Page 1, line 3, after "the" insert "non-Native-American"

The motion prevailed and the amendment was adopted.

Upon objection of ten members, S. F. No. 2013, as amended, was stricken from the Consent Calendar and placed on General Orders.

S. F. No. 1767, A bill for an act relating to highways; changing description of a route in the state highway system.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Smith
Anderson, I.	Frerichs	Kinkel	Olson, E.	Solberg
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Sparby
Anderson, R. H.	Girard	Koppendrayer	Omann	Stanius
Battaglia	Goodno	Krambeer	Onnen	Steensma
Bauerly	Greenfield	Krinkie	Orenstein	Sviggum
Beard	Gruenes	Krueger	Orfield	Swenson
Begich	Gutknecht	Lasley	Osthoff	Thompson
Bertram	Hanson	Leppik	Ostrom	Tompkins
Bettermann	Hartle	Lieder	Ozment	Trimble
Bishop	Hasskamp	Limmer	Pauly	Tunheim
Blatz	Haukoos	Lourey	Pellow	Uphus
Bodahl	Hausman	Lynch	Pelowski	Valento
Boo	Heir	Macklin	Peterson	Vanasek
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejcman
Dauner	Jaros	Milbert	Rukavina	Welker
Davids	Jefferson	Morrison	Runbeck	Welle
Dawkins	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, A.	Murphy	Schafer	Winter
Dille	Johnson, R.	Nelson, S.	Schreiber	Spk. Long
Dorn	Johnson, V.	Newinski	Seaberg	
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Ogren	Skoglund	

The bill was passed and its title agreed to.

S. F. No. 2069, A bill for an act relating to agriculture; adding Roseau and Koochiching counties to the restricted seed potato growing area; amending Minnesota Statutes 1990, section 21.1196, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Anderson, R.	Battaglia	Beard	Bertram
Anderson, I.	Anderson, R. H.	Bauerly	Begich	Bettermann

Bishop	Hanson	Krueger	Omann	Solberg
Blatz	Hartle	Lasley	Onnen	Sparby
Bodahl	Hasskamp	Leppik	Orenstein	Stanius
Boo	Haukoos	Lieder	Orfield	Steensma
Brown	Hausman	Limmer	Osthoff	Sviggum
Carlson	Heir	Lourey	Ostrom	Swenson
Carruthers	Henry	Lynch	Ozment	Thompson
Clark	Hufnagle	Macklin	Pauly	Tompkins
Cooper	Hugoson	Mariani	Pellow	Trimble
Dauner	Jacobs	Marsh	Pelowski	Tunheim
Davids	Janezich	McEachern	Peterson	Uphus
Dawkins	Jaros	McGuire	Pugh	Valento
Dempsey	Jefferson	McPherson	Reding	Vanasek
Dille	Jennings	Milbert	Rest	Vellenga
Dorn	Johnson, A.	Morrison	Rice	Wagenius
Erhardt	Johnson, R.	Munger	Rodosovich	Waltman
Farrell	Johnson, V.	Murphy	Rukavina	Weaver
Frederick	Kahn	Nelson, K.	Runbeck	Wejcman
Frerichs	Kalis	Nelson, S.	Sarna	Welker
Garcia	Kelso	Newinski	Schafer	Welle
Girard	Kinkel	O'Connor	Schreiber	Wenzel
Goodno	Knickerbocker	Ogren	Seaberg	Winter
Greenfield	Koppendrayer	Olsen, S.	Segal	Spk. Long
Gruenes	Krambeer	Olson, E.	Skoglund	
Gutknecht	Krinkie	Olson, K.	Smith	

The bill was passed and its title agreed to.

S. F. No. 1991, A bill for an act relating to education; authorizing a technical college to contract to provide services; proposing coding for new law in Minnesota Statutes, chapter 136C.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Davids	Heir	Krueger	Ogren
Anderson, I.	Dawkins	Henry	Lasley	Olsen, S.
Anderson, R.	Dempsey	Hufnagle	Leppik	Olson, E.
Anderson, R. H.	Dille	Hugoson	Lieder	Omann
Battaglia	Dorn	Jacobs	Limmer	Onnen
Bauerly	Erhardt	Janezich	Lynch	Orenstein
Beard	Farrell	Jaros	Macklin	Osthoff
Begich	Frederick	Jefferson	Mariani	Ostrom
Bertram	Frerichs	Jennings	Marsh	Ozment
Bettermann	Garcia	Johnson, A.	McEachern	Pauly
Bishop	Girard	Johnson, R.	McGuire	Pellow
Blatz	Goodno	Johnson, V.	McPherson	Pelowski
Bodahl	Greenfield	Kahn	Milbert	Peterson
Boo	Gruenes	Kalis	Morrison	Pugh
Brown	Gutknecht	Kelso	Munger	Reding
Carlson	Hanson	Kinkel	Murphy	Rest
Carruthers	Hartle	Knickerbocker	Nelson, K.	Rice
Clark	Hasskamp	Koppendrayer	Nelson, S.	Rodosovich
Cooper	Haukoos	Krambeer	Newinski	Rukavina
Dauner	Hausman	Krinkie	O'Connor	Runbeck

Sarna	Smith	Swenson	Valento	Wejcman
Schafer	Solberg	Thompson	Vanasek	Welker
Schreiber	Sparby	Tompkins	Vellenga	Welle
Seaberg	Stanius	Trimble	Wagenius	Wenzel
Segal	Steensma	Tunheim	Waltman	Winter
Skoglund	Sviggum	Uphus	Weaver	Spk. Long

The bill was passed and its title agreed to.

S. F. No. 2310, A bill for an act relating to waters; changing the composition of the board of water and soil resource's dispute resolution committee; amending Minnesota Statutes 1990, section 103B.101, subdivision 10.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kalis	Newinski	Schreiber
Anderson, I.	Frerichs	Kelso	O'Connor	Seaberg
Anderson, R.	Garcia	Kinkel	Ogren	Segal
Anderson, R. H.	Girard	Knickerbocker	Olsen, S.	Skoglund
Battaglia	Goodno	Koppendrayer	Olson, E.	Smith
Beard	Greenfield	Krambeer	Olson, K.	Solberg
Begich	Gruenes	Krinkie	Omann	Sparby
Bertram	Gutknecht	Krueger	Onnen	Stanius
Bettermann	Hanson	Lasley	Orenstein	Steensma
Bishop	Hartle	Leppik	Orfield	Sviggum
Blatz	Hasskamp	Lieder	Osthoff	Swenson
Bodahl	Haukoos	Limmer	Ostrom	Thompson
Boo	Hausman	Lourey	Ozment	Tompkins
Brown	Heir	Lynch	Pauly	Trimble
Carlson	Henry	Macklin	Pellow	Tunheim
Carruthers	Hufnagle	Mariani	Pelowski	Uphus
Clark	Hugoson	Marsh	Peterson	Valento
Cooper	Jacobs	McEachern	Pugh	Vanasek
Dauner	Janezich	McGuire	Reding	Vellenga
Davids	Jaros	McPherson	Rest	Wagenius
Dawkins	Jefferson	Milbert	Rice	Weaver
Dempsey	Jennings	Morrison	Rodosovich	Wejcman
Dille	Johnson, A.	Munger	Rukavina	Welker
Dorn	Johnson, R.	Murphy	Runbeck	Wenzel
Erhardt	Johnson, V.	Nelson, K.	Sarna	Winter
Farrell	Kahn	Nelson, S.	Schafer	Spk. Long

The bill was passed and its title agreed to.

S. F. No. 2117 was reported to the House.

Clark moved to amend S. F. No. 2117, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 256D.06, subdivision 1b, is amended to read:

Subd. 1b. [EARNED INCOME SAVINGS ACCOUNT.] In addition to the $50 disregard required under subdivision 1, the county agency shall disregard an additional earned income up to a maximum of $150 per month for: (1) persons residing in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690 and 9530.2500 to 9530.4000, and for whom discharge and work are part of a treatment plan; (2) persons living in supervised apartments with services funded under Minnesota Rules, parts 9535.0100 to 9535.1600, and for whom discharge and work are part of a treatment plan; and (3) persons residing in a negotiated rate residence, as that term is defined in section 256I.03, subdivision 3, for whom the county agency has approved a discharge plan which includes work. The additional amount disregarded must be placed in a separate savings account by the eligible individual, to be used upon discharge from the residential facility into the community. For individuals residing in a chemical dependency program licensed under Minnesota Rules, part 9530.4100, subpart 22, item D, withdrawals from the savings account require the signature of the individual and for those individuals with an authorized representative payee, the signature of the payee. A maximum of $1,000, including interest, of the money in the savings account must be excluded from the resource limits established by section 256D.08, subdivision 1, clause (1). Amounts in that account in excess of $1,000 must be applied to the resident's cost of care. If excluded money is removed from the savings account by the eligible individual at any time before the individual is discharged from the facility into the community, the money is income to the individual in the month of receipt and a resource in subsequent months. If an eligible individual moves from a community facility to an inpatient hospital setting, the separate savings account is an excluded asset for up to 18 months. During that time, amounts that accumulate in excess of the $1,000 savings limit must be applied to the patient's cost of care. If the patient continues to be hospitalized at the conclusion of the 18-month period, the entire account must be applied to the patient's cost of care."

The motion prevailed and the amendment was adopted.

S. F. No. 2117, A bill for an act relating to human services; modifying requirements for earned income savings accounts for residents of residential facilities; requiring the signature of a representative of the residential facility before money may be withdrawn; amending Minnesota Statutes 1991 Supplement, section 256D.06, subdivision 1b.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Skoglund
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Sparby
Battaglia	Goodno	Krambeer	Omann	Stanius
Bauerly	Greenfield	Krinkie	Onnen	Steensma
Beard	Gruenes	Krueger	Orenstein	Sviggum
Begich	Gutknecht	Lasley	Orfield	Swenson
Bertram	Hanson	Leppik	Osthoff	Thompson
Bettermann	Hartle	Lieder	Ostrom	Tompkins
Bishop	Hasskamp	Limmer	Ozment	Trimble
Blatz	Haukoos	Lourey	Pauly	Tunheim
Bodahl	Hausman	Lynch	Pellow	Uphus
Boo	Heir	Macklin	Pelowski	Valento
Brown	Henry	Mariani	Peterson	Vanasek
Carlson	Hufnagle	Marsh	Pugh	Vellenga
Carruthers	Hugoson	McEachern	Reding	Wagenius
Clark	Jacobs	McGuire	Rest	Waltman
Cooper	Janezich	McPherson	Rice	Weaver
Dauner	Jaros	Milbert	Rodosovich	Wejcman
Davids	Jefferson	Morrison	Rukavina	Welker
Dawkins	Jennings	Munger	Runbeck	Welle
Dempsey	Johnson, A.	Murphy	Sarna	Wenzel
Dille	Johnson, R.	Nelson, K.	Schafer	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Long
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	

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

S. F. No. 1900, A bill for an act relating to health; allowing nursing homes to establish review organizations; including quality assurance under medical assistance and Medicare as an activity of a review organization; amending Minnesota Statutes 1991 Supplement, section 145.61, subdivisions 4a and 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Bishop	Carlson	Davids
Anderson, I.	Beard	Blatz	Carruthers	Dawkins
Anderson, R.	Begich	Bodahl	Clark	Dempsey
Anderson, R. H.	Bertram	Boo	Cooper	Dille
Battaglia	Bettermann	Brown	Dauner	Dorn

Erhardt	Jefferson	Marsh	Ozment	Steensma
Farrell	Jennings	McEachern	Pauly	Sviggum
Frederick	Johnson, A.	McGuire	Pellow	Swenson
Frerichs	Johnson, R.	McPherson	Pelowski	Thompson
Garcia	Johnson, V.	Milbert	Peterson	Tompkins
Girard	Kahn	Morrison	Pugh	Trimble
Goodno	Kalis	Munger	Reding	Tunheim
Greenfield	Kelso	Murphy	Rest	Uphus
Gruenes	Kinkel	Nelson, K.	Rice	Valento
Gutknecht	Knickerbocker	Nelson, S.	Rodosovich	Vanasek
Hanson	Koppendrayer	Newinski	Rukavina	Vellenga
Hartle	Krambeer	O'Connor	Runbeck	Wagenius
Hasskamp	Krinkie	Ogren	Sarna	Waltman
Haukoos	Krueger	Olsen, S.	Schafer	Weaver
Hausman	Lasley	Olson, E.	Schreiber	Wejcman
Heir	Leppik	Olson, K.	Seaberg	Welker
Henry	Lieder	Omann	Segal	Welle
Hufnagle	Limmer	Onnen	Skoglund	Wenzel
Hugoson	Lourey	Orenstein	Smith	Winter
Jacobs	Lynch	Orfield	Solberg	Spk. Long
Janezich	Macklin	Osthoff	Sparby	
Jaros	Mariani	Ostrom	Stanius	

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Welle, for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Resolved, that Rule 1.16 of the Permanent Rules of the House of Representatives for the 77th Session be amended to read as follows:

1.16 TIME LIMIT FOR CONSIDERATION OF BILLS. If 20 legislative days after a bill has been referred to committee or division (other than a bill in Appropriations) no report has been made upon it by the committee or division, its chief author may request that it be returned to the House and the request shall be entered in the Journal for the day. The committee or division shall have ten calendar days thereafter in which to vote upon the bill requested. If the committee or division fails to vote upon it within the ten days, the chief author may, at any time within five calendar days thereafter, present a written demand to the Speaker for its immediate return to the House. The demand shall be entered in the Journal for that day and shall constitute the demand of the House. The bill shall then be considered to be in the possession of the House, given its second reading and placed at the end of General Orders.

Such bill is subject to re-reference by a majority vote of the whole House. If the motion to re-refer is made on the day of the demand or within one legislative day thereafter, the motion shall take prece-

dence over all other motions except privileged motions and shall be in order at any time.

In regular session in the odd-numbered year after Friday, May 17, 1991, and in the even-numbered year after ~~Monday, March 30~~ Friday, April 10, 1992, the House shall not act on bills other than those recommended by conference committee reports or the Committee on Rules and Legislative Administration, and those bills contained in messages from the Senate or from the Governor.

Stanius moved to amend the report from the Committee on Rules and Legislative Administration, as follows:

Resolved, that rules 3.12 and 5.09 be amended to read as follows:

3.12 AMENDMENTS TO APPROPRIATION AND TAX BILLS. No amendment increasing an appropriation ~~and no amendment increasing a tax~~ shall be declared passed until voted for by a majority of the whole House determined by a roll call vote. No amendment increasing a tax shall be declared passed until voted for by a three-fifths vote of the whole House determined by a roll call vote.

5.09 BILLS AFFECTING TAXES. Any bill whether originating in the House or Senate, which substantially affects state tax policy or the administration of state tax policy, after being reported to the House, shall be referred, or re-referred, as the case may be, to the Committee on Taxes for action by that committee. Any standing committee other than the Committee on Taxes to which such a bill is referred shall, in its report, recommend re-referral to the Committee on Taxes. Passage of any bill that increases a tax requires a three-fifths vote of all the members of the House.

A roll call was requested and properly seconded.

The question was taken on the Stanius amendment and the roll was called. There were 57 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abrams	Dille	Hartle	Knickerbocker	Marsh
Anderson, R.	Erhardt	Hasskamp	Koppendrayer	McPherson
Anderson, R. H.	Frederick	Haukoos	Krambeer	Morrison
Bettermann	Frerichs	Heir	Krinkie	Newinski
Blatz	Girard	Henry	Leppik	Olsen, S.
Boo	Goodno	Hufnagle	Limmer	Omann
Davids	Gruenes	Hugoson	Lynch	Onnen
Dempsey	Gutknecht	Johnson, V.	Macklin	Osthoff

Ozment	Schafer	Stanius	Uphus	Welker
Pauly	Schreiber	Sviggum	Valento	
Pellow	Seaberg	Swenson	Waltman	
Runbeck	Smith	Tompkins	Weaver	

Those who voted in the negative were:

Anderson, I.	Farrell	Kinkel	Olson, E.	Skoglund
Battaglia	Garcia	Krueger	Olson, K.	Solberg
Bauerly	Greenfield	Lasley	Orenstein	Sparby
Beard	Hanson	Lieder	Orfield	Steensma
Begich	Hausman	Lourey	Ostrom	Thompson
Bertram	Jacobs	Mariani	Pelowski	Trimble
Bodahl	Janezich	McEachern	Peterson	Tunheim
Brown	Jaros	McGuire	Pugh	Vanasek
Carlson	Jefferson	Milbert	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Wejcman
Cooper	Johnson, R.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	Nelson, S.	Rukavina	Wenzel
Dawkins	Kalis	O'Connor	Sarna	Winter
Dorn	Kelso	Ogren	Segal	Spk. Long

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

The question recurred on the Welle motion that the report of the Committee on Rules and Legislative Administration be now adopted. The motion prevailed and the report amending the Permanent Rules of the House for the 77th Session was adopted.

SPECIAL ORDERS

S. F. No. 1298, A bill for an act relating to cooperatives; providing for equal representation on the board from districts or units of certain cooperatives; proposing coding for new law in Minnesota Statutes, chapter 308A.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 69 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Brown	Greenfield	Kahn	McEachern
Battaglia	Carlson	Hanson	Kelso	McGuire
Bauerly	Carruthers	Hausman	Krambeer	Milbert
Beard	Clark	Jacobs	Krueger	Morrison
Begich	Cooper	Janezich	Lasley	Murphy
Bishop	Dawkins	Jaros	Lourey	Nelson, K.
Blatz	Dorn	Jefferson	Lynch	Newinski
Bodahl	Farrell	Jennings	Macklin	O'Connor
Boo	Garcia	Johnson, A.	Mariani	Ogren

Orenstein	Rest	Schreiber	Tompkins	Wejcman
Orfield	Rice	Seaberg	Trimble	Welle
Ostrom	Rodosovich	Segal	Valento	Wenzel
Pugh	Rukavina	Skoglund	Vellenga	Spk. Long
Reding	Sarna	Solberg	Wagenius	

Those who voted in the negative were:

Abrams	Goodno	Kalis	Olson, E.	Sparby
Anderson, R.	Gruenes	Kinkel	Olson, K.	Stanius
Anderson, R. H.	Gutknecht	Knickerbocker	Omann	Steensma
Bertram	Hartle	Koppendrayer	Onnen	Sviggum
Bettermann	Hasskamp	Krinkie	Ozment	Swenson
Dauner	Haukoos	Leppik	Pauly	Thompson
Davids	Heir	Lieder	Pellow	Tunheim
Dempsey	Henry	Limmer	Pelowski	Uphus
Dille	Hufnagle	Marsh	Peterson	Waltman
Frederick	Hugoson	McPherson	Runbeck	Weaver
Frerichs	Johnson, R.	Nelson, S.	Schafer	Welker
Girard	Johnson, V.	Olsen, S.	Smith	Winter

The bill was passed and its title agreed to.

S. F. No. 2208, A bill for an act relating to Olmsted county; permitting certain exemptions for the conveyance of certain county property.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Johnson, A.	Milbert	Reding
Anderson, I.	Erhardt	Johnson, R.	Morrison	Rest
Anderson, R.	Farrell	Johnson, V.	Munger	Rice
Anderson, R. H.	Frederick	Kahn	Murphy	Rodosovich
Battaglia	Frerichs	Kalis	Nelson, K.	Rukavina
Bauerly	Garcia	Kelso	Nelson, S.	Runbeck
Beard	Girard	Kinkel	Newinski	Sarna
Begich	Goodno	Knickerbocker	O'Connor	Schafer
Bertram	Greenfield	Koppendrayer	Ogren	Schreiber
Bettermann	Gruenes	Krambeer	Olsen, S.	Seaberg
Bishop	Gutknecht	Krinkie	Olson, E.	Segal
Blatz	Hanson	Krueger	Olson, K.	Skoglund
Bodahl	Hartle	Lasley	Omann	Smith
Boo	Hasskamp	Leppik	Onnen	Solberg
Brown	Haukoos	Lieder	Orenstein	Sparby
Carlson	Hausman	Limmer	Orfield	Stanius
Carruthers	Heir	Lourey	Osthoff	Steensma
Clark	Henry	Lynch	Ostrom	Sviggum
Cooper	Hufnagle	Macklin	Ozment	Swenson
Dauner	Hugoson	Mariani	Pauly	Thompson
Davids	Jacobs	Marsh	Pellow	Tompkins
Dawkins	Janezich	McEachern	Pelowski	Trimble
Dempsey	Jaros	McGuire	Peterson	Tunheim
Dille	Jefferson	McPherson	Pugh	Uphus

Valento	Waltman	Welker	Winter
Vellenga	Weaver	Welle	Spk. Long
Wagenius	Wejcman	Wenzel	

The bill was passed and its title agreed to.

S. F. No. 2182, A bill for an act relating to retirement; Duluth teachers retirement fund association; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Laws 1985, chapter 259, section 2; and Laws 1990, chapter 570, article 7, section 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kelso	Ogren	Smith
Anderson, I.	Frederick	Kinkel	Olsen, S.	Solberg
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Sparby
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Steensma
Battaglia	Goodno	Krambeer	Omann	Sviggum
Bauerly	Greenfield	Krueger	Orenstein	Swenson
Beard	Gruenes	Lasley	Orfield	Thompson
Begich	Gutknecht	Leppik	Osthoff	Tompkins
Bertram	Hanson	Lieder	Ostrom	Trimble
Bettermann	Hartle	Limmer	Ozment	Tunheim
Bishop	Hasskamp	Lourey	Pauly	Uphus
Blatz	Hausman	Lynch	Pellow	Valento
Bodahl	Heir	Macklin	Pelowski	Vanasek
Boo	Henry	Mariani	Peterson	Vellenga
Brown	Hufnagle	Marsh	Pugh	Wagenius
Carlson	Hugoson	McEachern	Reding	Waltman
Carruthers	Jacobs	McGuire	Rest	Weaver
Clark	Janezich	McPherson	Rice	Wejcman
Cooper	Jaros	Milbert	Rodosovich	Welle
Dauner	Jefferson	Morrison	Rukavina	Wenzel
Davids	Jennings	Munger	Runbeck	Winter
Dawkins	Johnson, A.	Murphy	Sarna	Spk. Long
Dempsey	Johnson, R.	Nelson, K.	Schafer	
Dille	Johnson, V.	Nelson, S.	Seaberg	
Dorn	Kahn	Newinski	Segal	
Erhardt	Kalis	O'Connor	Skoglund	

Those who voted in the negative were:

Frerichs	Krinkie	Stanius
Haukoos	Onnen	Welker

The bill was passed and its title agreed to.

S. F. No. 2514 was reported to the House.

Brown offered an amendment to S. F. No. 2514, the unofficial engrossment.

Olsen, S., requested a division of the Brown amendment to S. F. No. 2514, the unofficial engrossment.

The first portion of the Brown amendment to S. F. No. 2514, the unofficial engrossment, reads as follows:

Page 9, line 10, before "The" insert "(a)"

Page 10, after line 24, insert:

"(b) If the Swift county or Benson hospital is sold or leased to a private organization:

(1) the benefits accrued in the public employees retirement association by persons employed by the hospital immediately before the sale or lease are immediately vested;"

A roll call was requested and properly seconded.

The question was taken on the first portion of the Brown amendment and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Johnson, V.	Murphy	Rukavina
Anderson, I.	Frederick	Kahn	Nelson, K.	Runbeck
Anderson, R.	Frerichs	Kalis	Nelson, S.	Sarna
Anderson, R. H.	Garcia	Kelso	Newinski	Schafer
Battaglia	Girard	Kinkel	O'Connor	Schreiber
Bauerly	Goodno	Knickerbocker	Ogren	Seaberg
Beard	Greenfield	Koppendrayer	Olsen, S.	Segal
Begich	Gruenes	Krambeer	Olson, E.	Skoglund
Bertram	Gutknecht	Krinkie	Olson, K.	Smith
Bettermann	Hanson	Krueger	Omann	Solberg
Bishop	Hartle	Lasley	Onnen	Sparby
Blatz	Hasskamp	Leppik	Orenstein	Stanius
Bodahl	Haukoos	Lieder	Orfield	Steensma
Boo	Hausman	Limmer	Osthoff	Sviggum
Brown	Heir	Lourey	Ostrom	Swenson
Carlson	Henry	Lynch	Ozment	Thompson
Carruthers	Hufnagle	Macklin	Pauly	Tompkins
Clark	Hugoson	Mariani	Pellow	Trimble
Cooper	Jacobs	Marsh	Pelowski	Tunheim
Dauner	Janezich	McEachern	Peterson	Uphus
Davids	Jaros	McGuire	Pugh	Valento
Dempsey	Jefferson	McPherson	Reding	Vanasek
Dille	Jennings	Milbert	Rest	Vellenga
Dorn	Johnson, A.	Morrison	Rice	Wagenius
Erhardt	Johnson, R.	Munger	Rodosovich	Waltman

Weaver	Welker	Wenzel	Spk. Long
Wejcman	Welle	Winter	

The motion prevailed and the first portion of the Brown amendment was adopted.

The second portion of the Brown amendment to S. F. No. 2514, the unofficial engrossment, as amended, reads as follows:

Page 10, after line 24, after the matter inserted by the first portion of the divided Brown amendment, insert "and

(2) the successor employer shall provide hospital employees who were members of the public employees re irement association immediately before the lease or sale a pension program and benefits comparable to those provided by the public employees retirement association."

A roll call was requested and properly seconded.

The question was taken on the second portion of the Brown amendment and the roll was called. There were 72 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Krueger	Orenstein	Solberg
Anderson, R.	Greenfield	Lasley	Orfield	Steensma
Battaglia	Hanson	Lieder	Osthoff	Trimble
Bauerly	Hasskamp	Lourey	Ostrom	Tunheim
Beard	Hausman	Mariani	Pelowski	Vanasek
Begich	Jacobs	McEachern	Peterson	Vellenga
Bertram	Janezich	McGuire	Pugh	Wagenius
Bodahl	Jaros	Milbert	Reding	Wejcman
Brown	Jefferson	Munger	Rest	Welle
Carlson	Johnson, A.	Murphy	Rice	Wenzel
Clark	Johnson, R.	Nelson, K.	Rodosovich	Winter
Cooper	Kahn	Nelson, S.	Rukavina	Spk. Long
Dauner	Kalis	O'Connor	Sarna	
Dawkins	Kelso	Ogren	Segal	
Farrell	Kinkel	Olson, K.	Skoglund	

Those who voted in the negative were:

Abrams	Frederick	Hufnagle	Lynch	Pauly
Anderson, R. H.	Frerichs	Hugoson	Macklin	Pellow
Bettermann	Girard	Jennings	Marsh	Runbeck
Blatz	Goodno	Johnson, V.	McPherson	Schafer
Boo	Gruenes	Knickerbocker	Morrison	Schreiber
Davids	Gutknecht	Koppendrayer	Newinski	Seaberg
Dempsey	Hartle	Krambeer	Olsen, S.	Smith
Dille	Haukoos	Krinkie	Omann	Stanius
Dorn	Heir	Leppik	Onnen	Sviggum
Erhardt	Henry	Limmer	Ozment	Swenson

Thompson	Uphus	Waltman	Welker
Tompkins	Valento	Weaver	

The motion prevailed and the second portion of the Brown amendment was adopted.

S. F. No. 2514, A bill for an act relating to the Yellow Medicine county hospital district; providing for hospital board membership and elections; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; and 4.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kalis	Newinski	Skoglund
Anderson, I.	Garcia	Kelso	O'Connor	Smith
Anderson, R.	Girard	Kinkel	Ogren	Solberg
Battaglia	Goodno	Knickerbocker	Olsen, S.	Sparby
Bauerly	Greenfield	Koppendrayer	Olson, E.	Steensma
Beard	Gruenes	Krambeer	Olson, K.	Sviggum
Begich	Gutknecht	Krinkie	Omann	Swenson
Bertram	Hanson	Krueger	Onnen	Thompson
Bettermann	Hartle	Leppik	Orenstein	Tompkins
Blatz	Hasskamp	Lieder	Orfield	Trimble
Bodahl	Haukoos	Limmer	Osthoff	Tunheim
Brown	Hausman	Lourey	Ostrom	Uphus
Carlson	Heir	Lynch	Ozment	Valento
Carruthers	Henry	Macklin	Pauly	Vanasek
Clark	Hufnagle	Mariani	Pelowski	Vellenga
Cooper	Hugoson	Marsh	Peterson	Wagenius
Dauner	Jacobs	McEachern	Pugh	Waltman
Davids	Janezich	McGuire	Rest	Weaver
Dawkins	Jaros	McPherson	Rice	Wejcman
Dempsey	Jefferson	Milbert	Rodosovich	Welker
Dille	Jennings	Morrison	Rukavina	Welle
Dorn	Johnson, A.	Munger	Sarna	Wenzel
Erhardt	Johnson, R.	Murphy	Schafer	Winter
Farrell	Johnson, V.	Nelson, K.	Schreiber	Spk. Long
Frederick	Kahn	Nelson, S.	Segal	

Those who voted in the negative were:

Anderson, R. H.	Pellow	Runbeck	Seaberg	Stanius

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 2337.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2337, A bill for an act relating to human services; providing for medical assistance coverage of home health services delivered in a facility under certain circumstances; providing for medical assistance coverage of personal care services provided outside the home when authorized by the responsible party; allowing foster care providers to deliver personal care services if monitored; defining responsible party; allowing recipients to request continuation of services at a previously authorized level while an appeal is pending; requiring cost effectiveness of services to be considered; amending Minnesota Statutes 1991 Supplement, sections 256B.0625, subdivisions 6a and 19a; and 256B.0627, subdivisions 1, 4, 5, and 6.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Greenfield moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2337 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Greenfield moved that the Rules of the House be so far suspended that S. F. No. 2337 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2337 was read for the second time.

S. F. No. 2337, A bill for an act relating to human services; providing for medical assistance coverage of home health services

delivered in a facility under certain circumstances; providing for medical assistance coverage of personal care services provided outside the home when authorized by the responsible party; allowing foster care providers to deliver personal care services if monitored; defining responsible party; allowing recipients to request continuation of services at a previously authorized level while an appeal is pending; requiring cost effectiveness of services to be considered; amending Minnesota Statutes 1991 Supplement, sections 256B.0625, subdivisions 6a and 19a; and 256B.0627, subdivisions 1, 4, 5, and 6.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Smith
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Solberg
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Sparby
Anderson, R. H.	Girard	Krambeer	Omann	Stanius
Battaglia	Goodno	Krinkie	Onnen	Steensma
Bauerly	Greenfield	Krueger	Orenstein	Sviggum
Beard	Gruenes	Lasley	Orfield	Swenson
Begich	Gutknecht	Leppik	Osthoff	Thompson
Bertram	Hanson	Lieder	Ostrom	Tompkins
Bettermann	Hartle	Limmer	Ozment	Trimble
Bishop	Hasskamp	Lourey	Pauly	Tunheim
Blatz	Haukoos	Lynch	Pellow	Uphus
Bodahl	Hausman	Macklin	Pelowski	Valento
Boo	Heir	Mariani	Peterson	Vanasek
Brown	Henry	Marsh	Pugh	Vellenga
Carlson	Hufnagle	McEachern	Reding	Wagenius
Carruthers	Hugoson	McGuire	Rest	Waltman
Clark	Jacobs	McPherson	Rice	Weaver
Cooper	Jaros	Milbert	Rodosovich	Wejcman
Dauner	Jefferson	Morrison	Rukavina	Welker
Davids	Jennings	Munger	Runbeck	Welle
Dawkins	Johnson, A.	Murphy	Sarna	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schafer	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Long
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Skoglund	

The bill was passed and its title agreed to.

SPECIAL ORDERS

S. F. No. 2421 was reported to the House.

Anderson, I., moved to amend S. F. No. 2421, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [SPECIAL EXTENSION OF TIMBER PERMITS.]

Timber permits issued before June 1, 1990, under Minnesota Statutes, section 90.121 or timber permits issued before June 1, 1988, under Minnesota Statutes, section 90.151, or timber permits issued before June 1, 1991, under section 90.191, will be extended until June 1, 1994, if all regular extensions provided in Minnesota Statutes, section 90.121, 90.151, or 90.191, have been used. Extensions under this section shall be without interest and any timber cut during the period of this extension or remaining uncut at the expiration of this extension shall be billed for at the stumpage rates of the original sale. Any extensions under Minnesota Statutes, section 90.193 between December 1, 1991, and the effective date of this section, due to a lack of suitable winter logging conditions, shall be granted without interest and any timber cut during the period of this extension or remaining uncut at the expiration of this extension shall be billed for at the stumpage rates of the original sale.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective upon final enactment and expires May 31, 1994."

The motion prevailed and the amendment was adopted.

Solberg and Anderson, I., moved to amend S. F. No. 2421, as amended, as follows:

Page 1, after line 21, after the period, delete lines 22 to 24 and insert:

"Sec. 2. [CAMP 97 CREEK, GOLD MINE, AND CRANE LAKE TOWER IMPOUNDMENTS.]

Subdivision 1. [AGREEMENT; PURPOSE.] In accordance with Minnesota Statutes, section 103G.545, the commissioner of natural resources may enter into a cooperative agreement with the United States Forest Service to construct and maintain a dam and control structure across, and thereby alter the natural water level and volume of flowage of, the following waters in St. Louis county:

(1) Camp 97 Creek in the Southwest Quarter of the Southwest Quarter of Section 33, Township 66 North, Range 16 West;

(2) an unnamed tributary of the Vermilion river in the Southeast

Quarter of the Southeast Quarter of Section 11, Township 66 North, Range 18 West; and

(3) an unnamed flowage in the Northwest Quarter of the Northeast Quarter of Section 33, Township 67 North, Range 17 West.

The purpose of these projects, to be known as the Camp 97 Creek Impoundment, the Gold Mine Impoundment, and the Crane Lake Tower Impoundment, respectively, is to create and maintain permanent impoundments for the benefit of wildlife, recreation, and other public purposes.

Subd. 2. [AUTHORIZATION.] No alteration of the course, current, or cross-section of any of the waters described in subdivision 1 or any other public waters, and no filling or draining of wetlands, may be accomplished until any authorizations required for these activities under Minnesota Statutes, sections 103G.222, 103G.2369, and 103G.245, have been obtained.

Subd. 3. [EASEMENT.] Lands owned by the state may not be flooded or otherwise affected by flooding resulting from the projects described in subdivision 1 until an easement, lease, license, or permit for this purpose is obtained from the commissioner of natural resources. The commissioner may grant any necessary easements, leases, licenses, or permits.

Sec. 3. Minnesota Statutes 1990, section 94.344, subdivision 3, is amended to read:

Subd. 3. (a) Except as otherwise provided, Class B land may be exchanged only for land of substantially equal value or greater value to the state, as determined by the county board, with the approval of the commissioner and the land exchange board. For an exchange involving Class B land for Class A or Class C land, the value of the lands shall be determined by the commissioner, with approval of the land exchange board. For purposes of the determination, the commissioner shall appraise the state and tax-forfeited land proposed to be exchanged in the same manner as Class A land. For all other purposes, the county board shall appraise the state land and the land in the proposed exchange in the same manner as tax-forfeited land to be offered for sale. The appraised values shall not be conclusive, but shall be taken into consideration, together with such other matters as may be deemed material, in determining the values for the purposes of exchange.

(b) For the purposes of this subdivision, "substantially equal value" means:

(1) where the lands being exchanged are both over 100 acres, their values do not differ by more than ten percent; and

(2) in other cases, the values of the exchanged lands do not differ by more than 20 percent.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment. Section 1 shall expire May 31, 1994."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2421, A bill for an act relating to natural resources; extending the term of certain timber permits.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olson, E.	Solberg
Anderson, I.	Frerichs	Knickerbocker	Olson, K.	Sparby
Anderson, R.	Garcia	Koppendrayer	Omann	Stanius
Anderson, R. H.	Girard	Krambeer	Onnen	Steensma
Battaglia	Goodno	Krinkie	Orenstein	Sviggum
Bauerly	Greenfield	Krueger	Orfield	Swenson
Beard	Gruenes	Lasley	Osthoff	Thompson
Begich	Gutknecht	Leppik	Ostrom	Tompkins
Bertram	Hanson	Lieder	Ozment	Trimble
Bettermann	Hartle	Limmer	Pauly	Tunheim
Bishop	Hasskamp	Lourey	Pellow	Uphus
Blatz	Haukoos	Lynch	Pelowski	Valento
Bodahl	Heir	Macklin	Peterson	Vanasek
Boo	Henry	Mariani	Pugh	Vellenga
Brown	Hufnagle	Marsh	Reding	Wagenius
Carlson	Hugoson	McEachern	Rest	Waltman
Carruthers	Jacobs	McGuire	Rice	Weaver
Clark	Janezich	McPherson	Rodosovich	Wejcman
Cooper	Jaros	Milbert	Rukavina	Welker
Dauner	Jefferson	Morrison	Runbeck	Wellie
Davids	Jennings	Murphy	Sarna	Wenzel
Dawkins	Johnson, A.	Nelson, K.	Schafer	Winter
Dempsey	Johnson, R.	Nelson, S.	Schreiber	Spk. Long
Dille	Johnson, V.	Newinski	Seaberg	
Dorn	Kahn	O'Connor	Segal	
Erhardt	Kalis	Ogren	Skoglund	
Farrell	Kelso	Olsen, S.	Smith	

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

S. F. No. 2308, A bill for an act relating to state lands; authorizing

public sale of certain tax-forfeited land that borders public water in Kandiyohi county.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kalis	O'Connor	Smith
Anderson, I.	Frederick	Kelso	Olsen, S.	Solberg
Anderson, R.	Frerichs	Kinkel	Olson, E.	Sparby
Anderson, R. H.	Garcia	Knickerbocker	Olson, K.	Stanius
Battaglia	Girard	Koppendrayer	Omann	Steensma
Bauerly	Goodno	Krambeer	Onnen	Sviggum
Beard	Gruenes	Krinkie	Orenstein	Swenson
Begich	Gutknecht	Krueger	Orfield	Thompson
Bertram	Hanson	Lasley	Osthoff	Tompkins
Bettermann	Hartle	Leppik	Ostrom	Trimble
Bishop	Hasskamp	Lieder	Ozment	Tunheim
Blatz	Haukoos	Limmer	Pauly	Uphus
Bodahl	Hausman	Lourey	Pellow	Valento
Boo	Heir	Lynch	Pelowski	Vanasek
Brown	Henry	Macklin	Peterson	Vellenga
Carlson	Hufnagle	Mariani	Pugh	Wagenius
Carruthers	Hugoson	Marsh	Reding	Waltman
Clark	Jacobs	McEachern	Rice	Weaver
Cooper	Janezich	McGuire	Rodosovich	Wejcman
Dauner	Jaros	McPherson	Rukavina	Welker
Davids	Jefferson	Milbert	Sarna	Welle
Dawkins	Jennings	Morrison	Schafer	Wenzel
Dempsey	Johnson, A.	Munger	Schreiber	Winter
Dille	Johnson, R.	Murphy	Seaberg	Spk. Long
Dorn	Johnson, V.	Nelson, S.	Segal	
Erhardt	Kahn	Newinski	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 2435 was reported to the House.

Haukoos, Seaberg, Limmer, Sviggum, Bettermann and Koppendrayer offered an amendment to H. F. No. 2435.

POINT OF ORDER

Trimble raised a point of order pursuant to rule 3.09 that the Haukoos et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

H. F. No. 2435, A bill for an act relating to the department of

employee relations; public employment; removing a committee's expiration date; modifying retirement program options; expanding a bidding requirement exemption; amending Minnesota Statutes 1990, section 43A.316, subdivisions 4, 6, and 10; Minnesota Statutes 1991 Supplement, section 43A.316, subdivision 8; repealing Laws 1990, chapter 589, article 2, section 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Smith
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Solberg
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Sparby
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Stanius
Battaglia	Goodno	Krambeer	Omann	Steensma
Bauerly	Greenfield	Krinkie	Onnen	Sviggum
Beard	Gruenes	Krueger	Orenstein	Swenson
Begich	Gutknecht	Lasley	Orfield	Thompson
Bertram	Hanson	Leppik	Osthoff	Tompkins
Bettermann	Hartle	Lieder	Ostrom	Trimble
Bishop	Hasskamp	Limmer	Ozment	Tunheim
Blatz	Haukoos	Lourey	Pauly	Uphus
Bodahl	Hausman	Lynch	Pellow	Valento
Boo	Heir	Macklin	Pelowski	Vanasek
Brown	Henry	Mariani	Peterson	Vellenga
Carlson	Hufnagle	Marsh	Pugh	Wagenius
Carruthers	Hugoson	McEachern	Reding	Waltman
Clark	Jacobs	McGuire	Rest	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejcman
Dauner	Jaros	Milbert	Rukavina	Welker
Davids	Jefferson	Morrison	Runbeck	Welle
Dawkins	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, A.	Murphy	Schafer	Winter
Dille	Johnson, R.	Nelson, K.	Schreiber	Spk. Long
Dorn	Johnson, V.	Nelson, S.	Seaberg	
Erhardt	Kahn	Newinski	Segal	
Farrell	Kalis	O'Connor	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 2476 was reported to the House.

Reding moved that H. F. No. 2476 be returned to General Orders. The motion prevailed.

H. F. No. 2749, A bill for an act relating to telecommunications; authorizing the telecommunications access for communication-impaired persons' board to advance money to contractors under certain conditions; prescribing the terms and compensation of board mem-

bers; amending Minnesota Statutes 1990, sections 237.51, subdivision 3; and 237.52, subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Smith
Anderson, I.	Frerichs	Kinkel	Olson, E.	Solberg
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Sparby
Anderson, R. H.	Girard	Koppendrayer	Omann	Stanius
Battaglia	Goodno	Krambeer	Onnen	Steensma
Bauerly	Greenfield	Krinkie	Orenstein	Sviggum
Beard	Gruenes	Krueger	Orfield	Swenson
Begich	Gutknecht	Leppik	Osthoff	Thompson
Bertram	Hanson	Lieder	Ostrom	Tompkins
Bettermann	Hartle	Limmer	Ozment	Trimble
Bishop	Hasskamp	Lourey	Pauly	Tunheim
Blatz	Haukoos	Lynch	Pellow	Uphus
Bodahl	Hausman	Macklin	Pelowski	Valento
Boo	Heir	Mariani	Peterson	Vanasek
Brown	Henry	Marsh	Pugh	Vellenga
Carlson	Hufnagle	McEachern	Reding	Wagenius
Carruthers	Hugoson	McGuire	Rest	Waltman
Clark	Jacobs	McPherson	Rice	Weaver
Cooper	Janezich	Milbert	Rodosovich	Wejcman
Dauner	Jaros	Morrison	Rukavina	Welker
Davids	Jefferson	Munger	Runbeck	Welle
Dawkins	Jennings	Murphy	Sarna	Wenzel
Dempsey	Johnson, A.	Nelson, K.	Schafer	Winter
Dille	Johnson, R.	Nelson, S.	Schreiber	Spk. Long
Dorn	Johnson, V.	Newinski	Seaberg	
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Ogren	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 419 was reported to the House.

Johnson, R.; Knickerbocker and Reding moved to amend H. F. No. 419, the first engrossment, as follows:

Page 3, line 1, delete "use the board's actuary" and insert "retain actuarial services"

Page 3, line 4, delete "each applicant"

Page 3, line 5, delete "as an application fee" and insert "to each insurance company selected"

Page 3, line 8, delete "rules and" and after "out" insert "the selection process in this paragraph. After vendors have been selected, the executive director of the state board of investment shall establish rules and procedures to carry out"

The motion prevailed and the amendment was adopted.

H. F. No. 419 was read for the third time, as amended.

Johnson, R., moved that H. F. No. 419, as amended, be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 2709 was reported to the House.

Johnson, A.; Jacobs; Runbeck and O'Connor moved to amend H. F. No. 2709, the first engrossment, as follows:

Page 5, after line 6, insert a section to read:

"Sec. 7. [NATIONAL SPORTS CENTER; SALES OF ALCOHOLIC BEVERAGES.]

The Blaine city council may by ordinance authorize a holder of a retail on-sale intoxicating liquor license issued by the city or a contiguous city to dispense alcoholic beverages at the National Sports Center to persons attending a social event at the center. The licensee must be engaged to dispense alcoholic beverages at a social event held by a person or organization permitted to use the National Sports Center. Nothing in this section authorizes a licensee to dispense alcoholic beverages at any amateur athletic event held at the center."

Renumber the remaining sections

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Janezich, Osthoff and Jacobs moved to amend H. F. No. 2709, the first engrossment, as amended, as follows:

Page 4, after line 18, insert:

"Sec. 5. [DULUTH UNUSED LICENSE.]

Any unused liquor license in the city of Duluth, if unused for a period of two years, shall revert to the city of Duluth."

Page 5, line 8, delete "6" and insert "7"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2709, A bill for an act relating to alcoholic beverages; exempting liquor investigation vehicles from taxes and registration fees; defining certain terms; clarifying certain language; authorizing issuance of certain liquor licenses and operation of a liquor store; reversion of certain unused liquor licenses; amending Minnesota Statutes 1990, sections 168.012, subdivision 1; 340A.101, subdivision 15; and 340A.602.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kahn	O'Connor	Segal
Anderson, I.	Frederick	Kalis	Ogren	Smith
Anderson, R.	Frerichs	Kelso	Olsen, S.	Solberg
Anderson, R. H.	Garcia	Kinkel	Olson, E.	Sparby
Battaglia	Girard	Knickerbocker	Olson, K.	Stanius
Bauerly	Goodno	Koppendrayer	Omann	Steensma
Beard	Greenfield	Krambeer	Orenstein	Sviggum
Begich	Gruenes	Krinkie	Orfield	Swenson
Bertram	Gutknecht	Krueger	Osthoff	Thompson
Bettermann	Hanson	Lasley	Ostrom	Tompkins
Bishop	Hartle	Leppik	Ozment	Trimble
Blatz	Hasskamp	Lieder	Pauly	Tunheim
Bodahl	Haukoos	Limmer	Pellow	Uphus
Boo	Hausman	Lourey	Pelowski	Valento
Brown	Heir	Lynch	Peterson	Vanasek
Carlson	Henry	Macklin	Pugh	Vellenga
Carruthers	Hufnagle	Mariani	Reding	Wagenius
Clark	Hugoson	Marsh	Rest	Waltman
Cooper	Jacobs	McGuire	Rice	Weaver
Dauner	Janezich	McPherson	Rodosovich	Wejcman
Davids	Jaros	Milbert	Rukavina	Welker
Dawkins	Jefferson	Morrison	Runbeck	Welle
Dempsey	Jennings	Munger	Sarna	Wenzel
Dille	Johnson, A.	Nelson, K.	Schafer	Winter
Dorn	Johnson, R.	Nelson, S.	Schreiber	Spk. Long
Erhardt	Johnson, V.	Newinski	Seaberg	

Those who voted in the negative were:

McEachern Murphy Onnen

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

H. F. No. 419, as amended, which was temporarily laid over earlier today on Special Orders was again reported to the House.

H. F. No. 419, A bill for an act relating to retirement; public employee retirement savings programs; authorizing an employer matching contribution to certain tax sheltered annuity contracts; amending Minnesota Statutes 1990, section 356.24.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Solberg
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Sparby
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Stanius
Anderson, R. H.	Girard	Krambeer	Omann	Steensma
Battaglia	Goodno	Krinkie	Onnen	Sviggum
Bauerly	Gruenes	Krueger	Orenstein	Swenson
Beard	Gutknecht	Lasley	Orfield	Thompson
Begich	Hanson	Leppik	Osthoff	Tompkins
Bertram	Hartle	Lieder	Ostrom	Trimble
Bettermann	Hasskamp	Limmer	Ozment	Tunheim
Bishop	Haukoos	Lourey	Pauly	Uphus
Blatz	Hausman	Lynch	Pellow	Valento
Bodahl	Heir	Macklin	Pelowski	Vanasek
Boo	Henry	Mariani	Peterson	Vellenga
Brown	Hufnagle	Marsh	Pugh	Wagenius
Carlson	Hugoson	McEachern	Reding	Waltman
Carruthers	Jacobs	McGuire	Rice	Weaver
Clark	Janezich	McPherson	Rodosovich	Wejcman
Cooper	Jaros	Milbert	Rukavina	Welker
Dauner	Jefferson	Morrison	Runbeck	Welle
Davids	Jennings	Munger	Sarna	Wenzel
Dawkins	Johnson, A.	Murphy	Schafer	Winter
Dempsey	Johnson, R.	Nelson, K.	Schreiber	Spk. Long
Dille	Johnson, V.	Nelson, S.	Seaberg	
Dorn	Kahn	Newinski	Segal	
Erhardt	Kalis	O'Connor	Skoglund	
Farrell	Kelso	Ogren	Smith	

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

H. F. No. 2756, A bill for an act relating to the city of Virginia;

authorizing annual increases in survivor benefits payable by the Virginia firefighters relief association.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Solberg
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Sparby
Anderson, R.	Girard	Koppendrayer	Olson, K.	Stanius
Anderson, R. H.	Goodno	Krambeer	Omann	Steensma
Battaglia	Greenfield	Krinkie	Onnen	Sviggum
Bauerly	Gruenes	Krueger	Orenstein	Swenson
Beard	Gutknecht	Lasley	Orfield	Thompson
Begich	Hanson	Leppik	Osthoff	Tompkins
Bertram	Hartle	Lieder	Ozment	Trimble
Bettermann	Hasskamp	Limmer	Pauly	Tunheim
Bishop	Haukoos	Lourey	Pellow	Uphus
Blatz	Hausman	Lynch	Pelowski	Valento
Bodahl	Heir	Macklin	Peterson	Vanasek
Boo	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	Marsh	Reding	Wagenius
Carruthers	Hugoson	McEachern	Rest	Waltman
Clark	Jacobs	McGuire	Rice	Weaver
Cooper	Janezich	McPherson	Rodosovich	Wejcman
Dauner	Jaros	Milbert	Rukavina	Welker
Davids	Jefferson	Morrison	Runbeck	Welle
Dawkins	Jennings	Munger	Sarna	Wenzel
Dempsey	Johnson, A.	Murphy	Schafer	Winter
Dille	Johnson, R.	Nelson, K.	Schreiber	Spk. Long
Dorn	Johnson, V.	Nelson, S.	Seaberg	
Erhardt	Kahn	Newinski	Segal	
Farrell	Kalis	O'Connor	Skoglund	
Frederick	Kelso	Ogren	Smith	

The bill was passed and its title agreed to.

Welle moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Welle moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Winter moved that the name of Brown be shown as chief author on H. F. No. 2633. The motion prevailed.

Greenfield moved that S. F. No. 2177 be recalled from the Committee on Judiciary and together with H. F. No. 2695, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Trimble moved that H. F. No. 2508 be returned to its author. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1948:

Carruthers, Skoglund and Dempsey.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1399:

Jacobs, O'Connor and Boo.

ADJOURNMENT

Welle moved that when the House adjourns today it adjourn until 1:00 p.m., Tuesday, March 31, 1992. The motion prevailed.

Welle moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Tuesday, March 31, 1992.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

EIGHTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 31, 1992

The House of Representatives convened at 1:00 p.m. and was called to order by Dee Long, Speaker of the House.

Prayer was offered by Pastor Allen C. Jergenson, First Presbyterian Church of Foley, Foley, Minnesota.

The roll was called and the following members were present:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Girard	Krambeer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gutknecht	Lasley	Orfield	Sviggum
Begich	Hanson	Leppik	Osthoff	Swenson
Bertram	Hartle	Lieder	Ostrom	Thompson
Bettermann	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vanasek
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Winter
Dorn	Kahn	Newinski	Seaberg	Spk. Long
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

A quorum was present.

Gruenes was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Runbeck moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 1319 and H. F. No. 1441, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Milbert moved that the rules be so far suspended that S. F. No. 1319 be substituted for H. F. No. 1441 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1558 and H. F. No. 1692, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Jaros moved that S. F. No. 1558 be substituted for H. F. No. 1692 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1605 and H. F. No. 1750, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Osthoff moved that the rules be so far suspended that S. F. No. 1605 be substituted for H. F. No. 1750 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1644 and H. F. No. 1892, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Farrell moved that the rules be so far suspended that S. F. No. 1644 be substituted for H. F. No. 1892 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1778 and H. F. No. 2029, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dempsey moved that S. F. No. 1778 be substituted for H. F. No. 2029 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1805 and H. F. No. 2286, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Boo moved that the rules be so far suspended that S. F. No. 1805 be substituted for H. F. No. 2286 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1841 and H. F. No. 2043, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dawkins moved that the rules be so far suspended that S. F. No. 1841 be substituted for H. F. No. 2043 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1898 and H. F. No. 2093, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Hasskamp moved that the rules be so far suspended that S. F. No. 1898 be substituted for H. F. No. 2093 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1938 and H. F. No. 2076, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dawkins moved that the rules be so far suspended that S. F. No. 1938 be substituted for H. F. No. 2076 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2028 and H. F. No. 2853, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Cooper moved that S. F. No. 2028 be substituted for H. F. No. 2853 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2037 and H. F. No. 1133, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bauerly moved that the rules be so far suspended that S. F. No. 2037 be substituted for H. F. No. 1133 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2088 and H. F. No. 2402, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pugh moved that the rules be so far suspended that S. F. No. 2088 be substituted for H. F. No. 2402 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2111 and H. F. No. 2316, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jaros moved that the rules be so far suspended that S. F. No. 2111 be substituted for H. F. No. 2316 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2136 and H. F. No. 2185, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Farrell moved that the rules be so far suspended that S. F. No. 2136 be substituted for H. F. No. 2185 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2177 and H. F. No. 2695, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 2177 be substituted for H. F. No. 2695 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2234 and H. F. No. 2579, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dorn moved that the rules be so far suspended that S. F. No. 2234 be substituted for H. F. No. 2579 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2247 and H. F. No. 2532, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Segal moved that the rules be so far suspended that S. F. No. 2247 be substituted for H. F. No. 2532 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2282 and H. F. No. 2231, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Carruthers moved that S. F. No. 2282 be substituted for H. F. No. 2231 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2298 and H. F. No. 2320, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Peterson moved that the rules be so far suspended that S. F. No. 2298 be substituted for H. F. No. 2320 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2299 and H. F. No. 2842, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pelowski moved that the rules be so far suspended that S. F. No. 2299 be substituted for H. F. No. 2842 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2319 and H. F. No. 2421, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Munger moved that S. F. No. 2319 be substituted for H. F. No. 2421 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2352 and H. F. No. 2014, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Reding moved that S. F. No. 2352 be substituted for H. F. No. 2014 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2368 and H. F. No. 2541, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pugh moved that the rules be so far suspended that S. F. No. 2368 be substituted for H. F. No. 2541 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2383 and H. F. No. 2610, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Vellenga moved that S. F. No. 2383 be substituted for H. F. No. 2610 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2389 and H. F. No. 2612, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Weaver moved that the rules be so far suspended that S. F. No. 2389 be substituted for H. F. No. 2612 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2430 and H. F. No. 2624, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Krueger moved that the rules be so far suspended that S. F. No. 2430 be substituted for H. F. No. 2624 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2499 and H. F. No. 2878, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Munger moved that the rules be so far suspended that S. F. No. 2499 be substituted for H. F. No. 2878 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2628 and H. F. No. 2827, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

O'Connor moved that the rules be so far suspended that S. F. No. 2628 be substituted for H. F. No. 2827 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2694 and H. F. No. 2757, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

McGuire moved that the rules be so far suspended that S. F. No. 2694 be substituted for H. F. No. 2757 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2728 and H. F. No. 2733, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wenzel moved that the rules be so far suspended that S. F. No. 2728 be substituted for H. F. No. 2733 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. Nos. 1319, 1558, 1605, 1644, 1778, 1805, 1841, 1898, 1938, 2028, 2037, 2088, 2111, 2136, 2177, 2234, 2247, 2282, 2298, 2299, 2319, 2352, 2368, 2383, 2389, 2430, 2499, 2628, 2694 and 2728 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Johnson, V.; Welker; Sviggum; Waltman and Onnen introduced:

H. F. No. 3019, A resolution making application to the Congress of the United States to adopt an amendment to the Constitution of the United States, for submission to the States, to require, with certain exceptions, that the Federal budget be balanced.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Steensma and Trimble introduced:

H. F. No. 3020, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Girard, Koppendrayer, Newinski, Leppik and Henry introduced:

H. F. No. 3021, A resolution making application to the Congress of the United States to adopt an amendment to the Constitution of the United States, for submission to the States, to require, with certain exceptions, that the Federal budget be balanced.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Thompson; Kinkel; Anderson, R.; Dorn and Krueger introduced:

H. F. No. 3022, A resolution making application to the Congress of the United States to adopt an amendment to the Constitution of the United States, for submission to the States, to require, with certain exceptions, that the Federal budget be balanced.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 2046, A bill for an act relating to commerce; motor vehicle lienholders; requiring notice to certain secured creditors before the vehicle is sold; amending Minnesota Statutes 1990, section 514.20.

H. F. No. 2225, A bill for an act relating to retirement; St. Paul police relief association; authorizing retirees and surviving spouses to participate in relief association board elections and other governance issues; amending Laws 1955, chapter 151, section 1, subdivision 3, as amended.

H. F. No. 2341, A bill for an act relating to transportation; authorizing nonoperating assistance for public transit service; amending Minnesota Statutes 1990, section 174.24, subdivisions 3, 5, and by adding subdivisions; repealing Minnesota Statutes 1990, section 174.245.

H. F. No. 2769, A bill for an act relating to retirement; providing for the calculation of pension increases for the Virginia police relief association.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2142, A bill for an act relating to employment; leaves of absence; assigning duties to the division of labor standards; modifying provisions relating to school conference leave for employees with children; amending Minnesota Statutes 1990, sections 177.26, subdivision 2; and 181.9412; proposing coding for new law in Minnesota Statutes, chapter 181.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE

Johnson, A., moved that the House concur in the Senate amendments to H. F. No. 2142 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2142 was read for the third time, as amended by the Senate.

Johnson, A., moved that H. F. No. 2142, as amended by the Senate, be temporarily laid over together with the Message from the Senate. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1249, A bill for an act relating to the city of St. Paul; providing certain economic development authority.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Hausman moved that the House concur in the Senate amendments to H. F. No. 1249 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1249, A bill for an act relating to the city of St. Paul; providing certain economic development authority.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 115 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Boo	Farrell	Jacobs	Krambeer
Anderson, R.	Brown	Frederick	Janezich	Krueger
Anderson, R. H.	Carlson	Garcia	Jaros	Lasley
Battaglia	Carruthers	Greenfield	Jefferson	Leppik
Bauerly	Clark	Gutknecht	Jennings	Lieder
Beard	Cooper	Hanson	Johnson, A.	Limmer
Begich	Dauner	Hartle	Johnson, R.	Lourey
Bertram	Davids	Hasskamp	Kahn	Lynch
Bettermann	Dawkins	Hausman	Kalis	Macklin
Bishop	Dille	Heir	Kelso	Mariani
Blatz	Dorn	Henry	Kinkel	Marsh
Bodahl	Erhardt	Hufnagle	Knickerbocker	McEachern

McGuire	Olson, K.	Reding	Skoglund	Valento
McPherson	Omann	Rest	Smith	Vanasek
Milbert	Orenstein	Rice	Solberg	Vellenga
Munger	Orfield	Rodosovich	Sparby	Wagenius
Murphy	Osthoff	Rukavina	Steensma	Waltman
Nelson, K.	Ostrom	Runbeck	Swenson	Weaver
Nelson, S.	Ozment	Sarna	Thompson	Wejcman
Newinski	Pauly	Schreiber	Tompkins	Welle
O'Connor	Pellow	Seaberg	Trimble	Wenzel
Ogren	Pelowski	Segal	Tunheim	Winter
Olson, E.	Peterson	Simoneau	Uphus	Spk. Long

Those who voted in the negative were:

Abrams	Girard	Johnson, V.	Olsen, S.	Stanius
Dempsey	Haukoos	Koppendrayer	Onnen	Sviggum
Frerichs	Hugoson	Krinkie	Schafer	Welker

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2704, A bill for an act relating to state government; increasing the size of the council on Asian-Pacific Minnesotans; providing for representation of various Asian-Pacific communities on the council; amending Minnesota Statutes 1991 Supplement, section 3.9226, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Clark moved that the House concur in the Senate amendments to H. F. No. 2704 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2704, A bill for an act relating to state government; increasing the size of the council on Black Minnesotans and the council on Asian-Pacific Minnesotans; providing for representation of various Asian-Pacific communities on the council; amending Minnesota Statutes 1991 Supplement, sections 3.9225, subdivision 1; and 3.9226, subdivision 1.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Smith
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Solberg
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Sparby
Anderson, R. H.	Girard	Krambeer	Omann	Stanius
Battaglia	Goodno	Krinkie	Onnen	Steensma
Bauerly	Greenfield	Krueger	Orenstein	Sviggum
Beard	Gutknecht	Lasley	Orfield	Swenson
Begich	Hanson	Leppik	Osthoff	Thompson
Bertram	Hartle	Lieder	Ostrom	Tompkins
Bettermann	Hasskamp	Limmer	Ozment	Trimble
Bishop	Haukoos	Lourey	Pauly	Tunheim
Blatz	Hausman	Lynch	Pellow	Uphus
Bodahl	Heir	Macklin	Peterson	Valento
Boo	Henry	Mariani	Pugh	Vanasek
Brown	Hufnagle	Marsh	Reding	Vellenga
Carlson	Hugoson	McEachern	Rest	Wagenius
Carruthers	Jacobs	McGuire	Rice	Waltman
Clark	Janezich	McPherson	Rodosovich	Weaver
Cooper	Jaros	Milbert	Rukavina	Wejcman
Dauner	Jefferson	Morrison	Runbeck	Welker
Davids	Jennings	Munger	Sarna	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schreiber	Winter
Dille	Johnson, V.	Nelson, S.	Seaberg	Spk. Long
Dorn	Kahn	Newinski	Segal	
Erhardt	Kalis	O'Connor	Simoneau	
Farrell	Kelso	Ogren	Skoglund	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2377, A bill for an act relating to education; allowing a temporary school board structure for districts operating a cooperative secondary facility; amending Minnesota Statutes 1990, section 124.494, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 122.23, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Uphus moved that the House concur in the Senate amendments to H. F. No. 2377 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2377, A bill for an act relating to education; authorizing recipients of a cooperative secondary facilities grant to have a temporary school board structure after they consolidate; amending

Minnesota Statutes 1990, section 124.494, by adding a subdivision; and Minnesota Statutes 1991 Supplement, section 122.23, subdivision 2.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Girard	Krambeer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gutknecht	Lasley	Orfield	Sviggum
Begich	Hanson	Leppik	Osthoff	Swenson
Bertram	Hartle	Lieder	Ostrom	Thompson
Bettermann	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vanasek
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Winter
Dorn	Kahn	Newinski	Seaberg	Spk. Long
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2465, A bill for an act relating to veterans; clarifying procedures for searches of veterans' home residents' rooms or property; amending Minnesota Statutes 1990, sections 198.33, subdivision 1; and 365A.06, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Frederick moved that the House concur in the Senate amendments to H. F. No. 2465 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2465, A bill for an act relating to veterans; clarifying the definition of "veteran;" clarifying procedures for searches of veterans' home residents' rooms or property; amending Minnesota Statutes 1990, sections 197.447; and 198.33, subdivision 1.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Girard	Krambeer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gutknecht	Lasley	Orfield	Sviggum
Begich	Hanson	Leppik	Osthoff	Swenson
Bertram	Hartle	Lieder	Ostrom	Thompson
Bettermann	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vanasek
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Winter
Dorn	Kahn	Newinski	Seaberg	Spk. Long
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1969, A bill for an act relating to education; providing for

the location of a school within a retail and entertainment complex within the city of Bloomington.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Blatz moved that the House concur in the Senate amendments to H. F. No. 1969 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1969, A bill for an act relating to alcoholic beverages; prohibiting the city of Bloomington from prohibiting certain retail sales of alcoholic beverages.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Girard	Krambeer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gutknecht	Lasley	Orfield	Sviggum
Begich	Hanson	Leppik	Osthoff	Swenson
Bertram	Hartle	Lieder	Ostrom	Thompson
Bettermann	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vanasek
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Winter
Dorn	Kahn	Newinski	Seaberg	Spk. Long
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following

House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1862, A bill for an act relating to the city of Minneapolis; extending authority to guarantee certain loans; amending Laws 1988, chapter 594, section 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jefferson moved that the House concur in the Senate amendments to H. F. No. 1862 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1862, A bill for an act relating to the city of Minneapolis; extending authority to guarantee certain loans; eliminating community resource funding for way to grow program; amending Laws 1988, chapter 594, section 6; repealing Minnesota Statutes 1990, section 466A.06, subdivision 2.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Girard	Krambeer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gutknecht	Lasley	Orfield	Sviggum
Begich	Hanson	Leppik	Osthoff	Swenson
Bertram	Hartle	Lieder	Ostrom	Thompson
Bettermann	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vanasek
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Winter
Dorn	Kahn	Newinski	Seaberg	Spk. Long
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

The bill was repassed, as amended by the Senate, and its title agreed to.

H. F. No. 2142, as amended by the Senate, which was temporarily laid over earlier today together with the Message from the Senate was again reported to the House.

Johnson, A., moved that H. F. No. 2142, as amended by the Senate, be continued together with the Message from the Senate. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1693, 1728 and 2256.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1693, A bill for an act relating to crimes; providing that certain health care providers who administer medications to relieve another person's pain do not violate the law making it a crime to aid or attempt aiding suicide; authorizing certain licensure disciplinary options against physicians, physician assistants, nurses, dentists, and pharmacists who are convicted of aiding or attempting to aid suicide; amending Minnesota Statutes 1990, sections 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 151.06, subdivision 1; and 609.215, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 147.

The bill was read for the first time.

Wenzel moved that S. F. No. 1693 and H. F. No. 2488, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1728, A bill for an act relating to elected officials; compensation plans; prohibiting compensation for unused vacation and sick leave for certain elected officials of political subdivisions; amending Minnesota Statutes 1990, section 43A.17, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

S. F. No. 2256, A bill for an act relating to regional development commissions; requiring regional development commissions to establish permit and license information centers; amending Minnesota Statutes 1990, sections 116C.34, subdivisions 1 and 3; and 462.391, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Economic Development.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Welle, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for today, Tuesday, March 31, 1992:

S. F. No. 2637; H. F. Nos. 1738, 2250 and 2257; S. F. No. 1997; H. F. Nos. 2000, 1910 and 2190; and S. F. Nos. 2001, 2301, 1671 and 2124.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2121, A bill for an act relating to education; providing for general education and related revenue, transportation, special programs, other aids, levies, and programs; appropriating money; amending Minnesota Statutes 1990, sections 120.101, subdivision 5; 120.102, subdivision 1; 120.17, subdivisions 3a, 8a, 12, 14, 16, and by adding subdivisions; 121.148, subdivision 3; 121.11, by adding a subdivision; 121.16, subdivision 1; 121.935, by adding subdivisions; 122.22, by adding a subdivision; 122.23, subdivisions 13, 16, and by adding a subdivision; 122.247, subdivision 1; 122.531, subdivisions 1a, 2, 2a, 2b, and 2c; 122.532, subdivision 2; 123.35, by adding a subdivision; 123.3514, subdivisions 6, as amended, as reenacted, 6b, as amended, as reenacted, and by adding a subdivision; 123.39, subdivision 8d; 123.58, by adding a subdivision; 123.744, as amended, as reenacted; 124.243, subdivision 2, and by adding a subdivision; 124.2725, subdivision 13; 124.331, subdivisions 1 and 3; 124.431, by adding a subdivision; 124.493, subdivision 1; 124.494, subdivisions 2, 4, and 5; 124.73, subdivision 1; 124.83, subdivisions

2, 6, and by adding subdivisions; 124.85, subdivision 4; 124A.22, subdivision 2a, and by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2, and by adding a subdivision; 124C.07; 124C.08, subdivision 2; 124C.09; 124C.61; 125.05, subdivisions 1, 7, and by adding subdivisions; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 126.12, subdivision 2; 126.22, by adding a subdivision; 127.46; 128A.09, subdivision 2, and by adding a subdivision; 128C.01, subdivision 4; 128C.02, by adding a subdivision; 134.34, subdivision 1, and by adding a subdivision; 136C.69, subdivision 3; 136D.75; 182.666, subdivisions 6 and 7; 275.125, subdivision 10, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 120.062, subdivision 8a; 120.064, subdivision 4; 120.17, subdivisions 3b, 7a, and 11a; 120.181; 121.585, subdivision 3; 121.831; 121.904, subdivisions 4a and 4e; 121.912, subdivision 6; 121.932, subdivisions 2 and 5; 121.935, subdivisions 1 and 6; 122.22, subdivision 9; 122.23, subdivision 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.531, subdivision 4a; 123.3514, subdivisions 4 and 11; 123.702, subdivisions 1, 1a, and 1b; 124.155, subdivision 2; 124.19, subdivisions 1, 1b, and 7; 124.214, subdivisions 2 and 3; 124.2601, subdivision 6; 124.2721, subdivision 3b; 124.2727, subdivision 6, and by adding subdivisions; 124.493, subdivision 3; 124.646, subdivision 4; 124.83, subdivision 1; 124.95, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 124A.03, subdivisions 1c, 2, 2a, and by adding a subdivision; 124A.23, subdivisions 1 and 4; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 125.185, subdivisions 4 and 4a; 125.62, subdivision 6; 126.70; 135A.03, subdivision 3a; 136D.22, subdivision 3; 136D.71, subdivision 2; 136D.76, subdivision 2; 136D.82, subdivision 3; 245A.03, subdivision 2; 275.065, subdivision 1; 275.125, subdivisions 6j and 11g; 364.09; and 373.42, subdivision 2; Laws 1990, chapter 366, section 1, subdivision 2; Laws 1991, chapter 265, articles 3, section 39, subdivision 16; 4, section 30, subdivision 11; 5, sections 18, 23, and 24, subdivision 4; 6, sections 64, subdivision 6, 67, subdivision 3, and 68; 7, sections 37, subdivision 6, 41, subdivision 4, and 44; 8, sections 14 and 19, subdivision 6; and 9, sections 75 and 76; proposing coding for new law in Minnesota Statutes, chapters 121; 123; 124; 124C; and 135A; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 122.23, subdivisions 16a and 16b; 124.274; 125.03, subdivision 5; 128A.022, subdivision 5; 134.34, subdivision 2; 136C.06; 136D.74, subdivision 3; 136D.76, and subdivision 3; Minnesota Statutes 1991 Supplement, sections 121.935, subdivisions 7 and 8; 123.35, subdivision 19; 124.2721, subdivisions 5a and 5b; 124.2727, subdivisions 1, 2, 3, 4, and 5; and 136D.90, subdivision 2; Laws 1990, chapters 562, article 12; and 604, article 8, section 12; and Laws 1991, chapter 265, article 9, section 73.

Reported the same back with the following amendments:

Page 73, delete section 2

Page 99, line 9, after "Alexandria" insert "; No. 213, Osakis"

Page 99, line 11, delete "$80,000" and insert "$100,000"

Page 99, line 13, delete "$80,000" and insert "$100,000"

Page 105, after line 1, insert:

"Sec. 9. [FUND TRANSFER; ELLENDALE-GENEVA.]

Notwithstanding any other law to the contrary, on June 30, 1992, independent school district No. 762, Ellendale-Geneva, may transfer $100,000 from its general fund to its capital expenditure fund to purchase computer equipment."

Page 137, delete lines 18 to 36

Page 138, delete lines 1 to 15

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 42, delete "subdivisions 2 and 5" and insert "subdivision 2"

With the recommendation that when so amended the bill pass.

The report was adopted.

Vanasek from the Committee on Ways and Means to which was referred:

H. F. No. 2940, A bill for an act relating to the financing and operation of government in Minnesota; changing the funding and payment of certain aids to local governments; modifying the administration, computation, collection, and enforcement of taxes and refunds; changing tax rates, bases, credits, exemptions, and payments; reducing the amount in the budget and cash flow reserve account; updating references to the Internal Revenue Code; changing certain bonding provisions; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, and watershed districts; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 60A.19, subdivision 6; 103B.241; 103B.335; 103F.221,

subdivision 3; 124.2131, subdivision 1; 174.27; 268.672, by adding subdivisions; 268.6751, subdivision 1; 268.676, subdivision 1; 268.677, subdivisions 1 and 2; 268.681, subdivisions 1, 2, and 3; 268.682, subdivisions 1, 2, and 3; 270.075, subdivision 1; 270A.05; 270A.07, subdivisions 1 and 2; 270A.11; 270B.01, subdivision 8; 271.06, subdivision 7; 272.02, by adding a subdivision; 272.115; 273.11, by adding subdivisions; 273.13, subdivision 24; 273.135, subdivision 2; 274.19, subdivision 8; 274.20, subdivisions 1, 2, and 4; 278.01, subdivision 2; 278.02; 282.01, subdivision 7; 282.012; 282.09, subdivision 1; 282.241; 282.36; 289A.25, by adding a subdivision; 289A.26, subdivisions 3, 4, 7, and 9; 289A.50, subdivision 5; 290.05, subdivision 4; 290.06, by adding a subdivision; 290.091, subdivision 6; 290.0922, subdivision 2; 290.9201, subdivision 11; 290.923, by adding a subdivision; 290A.03, subdivision 8; 290A.19; 290A.23; 297A.01, by adding a subdivision; 297A.02, by adding a subdivision; 297A.14, subdivision 1; 297A.15, subdivisions 5 and 6; 297A.25, subdivisions 11, 45, and by adding subdivisions; 297B.01, subdivision 8; 327C.01, by adding a subdivision; 327C.12; 373.40, subdivision 7; 383.06; 383A.07, by adding a subdivision; 383B.152; 398A.06, subdivision 2; 401.02, subdivision 3; 401.05; 414.0325, by adding a subdivision; 414.033, subdivisions 2, 3, 5, and by adding a subdivision; 462A.22, subdivision 1; 469.107, subdivision 2; 469.153, subdivision 2; 469.177, subdivision 1a; 471.571, subdivision 2; 473.388, subdivision 4; 473.446, subdivision 1; 473.711, subdivision 2; 473H.10, subdivision 3; 477A.013, subdivision 5; 477A.015; 477A.12; 477A.13; 488A.20, subdivision 4; 541.07; and 641.24; Minnesota Statutes 1991 Supplement, sections 4A.02; 16A.15, subdivision 6; 16A.711, subdivision 4; 47.209; 69.021, subdivisions 5 and 6; 124A.23, subdivision 1; 256.025, subdivisions 3 and 4; 256E.05, subdivision 3; 256E.09, subdivision 6; 270A.04, subdivision 2; 270A.08, subdivision 2; 271.21, subdivision 6; 272.02, subdivision 1; 273.11, subdivision 1; 273.124, subdivisions 1, 6, 9, and 13; 273.13, subdivisions 22, 25, as amended, and 32; 273.1398, subdivisions 5 and 7; 273.1399; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 5 and 6j; 276.04, subdivision 2; 277.17; 278.01, subdivision 1; 278.05, subdivision 6; 279.01, subdivision 1; 279.03, subdivision 1a; 281.17; 289A.20, subdivisions 1 and 4; 289A.26, subdivisions 1 and 6; 290.01, subdivisions 19 and 19a; 290.06, subdivision 23; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 8; 290.0922, subdivision 1; 290.92, subdivision 23; 290A.04, subdivision 2h; 297A.01, subdivision 3; 297A.135, subdivision 1, and by adding a subdivision; 297A.21, subdivision 4; 297A.25, subdivision 12, as amended; 375.192, subdivision 2; 423A.02, subdivision 1a; and 477A.011, subdivisions 27 and 29; Laws 1971, chapter 773, sections 1, subdivision 2, as amended; and 2, as amended; Laws 1990, chapter 604, article 6, section 11; Laws 1991, chapter 291, articles 2, section 3; and 7, section 27; proposing coding for new law in Minnesota Statutes, chapters 13; 60A; 207A; 216B; 268; 275; 289A; 290A; 297; 473F; and 477A; repealing Minnesota Statutes 1990, sections 60A.15, subdivision 6; 134.342, subdivisions 2 and 4; 268.6751, subdivision 2; 289A.12, subdivision 1; 290.48, subdivision 7; 297.32, subdivision 7; and 414.031, subdivision 5; Minnesota Statutes 1991 Supplement, sections 271.04,

subdivision 2; 273.124, subdivision 15; 295.367; and 477A.03, subdivision 1.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2121 and 2940 were read for the second time.

SPECIAL ORDERS

H. F. No. 2060 was reported to the House.

Cooper and Rodosovich moved to amend H. F. No. 2060, the first engrossment, as follows:

Page 3, line 5, after "GUIDELINES" insert "; RESIDENTIAL PROGRAMS FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS"

Page 3, line 11, before the period insert "governing the licensing of residential programs for persons with mental retardation or related conditions"

Page 4, after line 6, insert:

"Subd. 6. [REPEALER.] This section is repealed July 1, 1993."

The motion prevailed and the amendment was adopted.

H. F. No. 2060, A bill for an act relating to human services; exempting interpretive guidelines published by the commissioner of human services from the definition of rules; exempting intermediate care facilities for persons with mental retardation or related conditions from specific Minnesota Rules; authorizing the commissioner to make, adopt, and publish interpretive guidelines; directing the commissioner to revise Minnesota Rules, parts 9525.0215 to 9525.0355; directing the commissioner to submit a report; amending Minnesota Statutes 1991 Supplement, section 14.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 245A.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Solberg
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Sparby
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Stanius
Anderson, R. H.	Girard	Krambeer	Omann	Steensma
Battaglia	Goodno	Krinkie	Onnen	Sviggum
Bauerly	Greenfield	Krueger	Orenstein	Swenson
Beard	Gutknecht	Lasley	Orfield	Thompson
Begich	Hanson	Leppik	Osthoff	Tompkins
Bertram	Hartle	Lieder	Ostrom	Trimble
Bettermann	Hasskamp	Limmer	Ozment	Tunheim
Bishop	Haukoos	Lourey	Pellow	Uphus
Blatz	Hausman	Lynch	Pelowski	Valento
Bodahl	Heir	Macklin	Peterson	Vanasek
Boo	Henry	Mariani	Pugh	Vellenga
Brown	Hufnagle	Marsh	Reding	Wagenius
Carlson	Hugoson	McEachern	Rest	Waltman
Carruthers	Jacobs	McGuire	Rodosovich	Weaver
Clark	Janezich	McPherson	Rukavina	Wejcman
Cooper	Jaros	Milbert	Runbeck	Welker
Dauner	Jefferson	Morrison	Sarna	Welle
Davids	Jennings	Munger	Schafer	Wenzel
Dawkins	Johnson, A.	Murphy	Schreiber	Winter
Dempsey	Johnson, R.	Nelson, K.	Seaberg	Spk. Long
Dille	Johnson, V.	Nelson, S.	Segal	
Dorn	Kahn	Newinski	Simoneau	
Erhardt	Kalis	O'Connor	Skoglund	
Farrell	Kelso	Ogren	Smith	

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

H. F. No. 2280 was reported to the House.

Rukavina moved that H. F. No. 2280 be continued on Special Orders. The motion prevailed.

H. F. No. 2415 was reported to the House.

Bishop, Kelso and Vellenga moved to amend H. F. No. 2415, the first engrossment, as follows:

Page 2, line 1, delete "lease, rental"

Page 2, line 2, delete "agreement,"

Page 2, line 2, after "lot" insert a comma and delete "or other"

Page 2, line 3, delete "rental property;"

Page 2, line 18, delete ", leases, rental"

Page 2, line 19, delete "agreements,"

The motion prevailed and the amendment was adopted.

H. F. No. 2415, A bill for an act relating to human services; prohibiting restrictions on the right to provide licensed day care; proposing coding for new law in Minnesota Statutes, chapter 245A.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kalis	Olsen, S.	Simoneau
Anderson, I.	Frederick	Kelso	Olson, E.	Skoglund
Anderson, R.	Frerichs	Kinkel	Olson, K.	Smith
Anderson, R. H.	Garcia	Koppendrayer	Omann	Solberg
Battaglia	Girard	Krambeer	Onnen	Sparby
Bauerly	Goodno	Krueger	Orenstein	Stanius
Beard	Greenfield	Lasley	Orfield	Steensma
Begich	Gutknecht	Leppik	Osthoff	Sviggum
Bertram	Hanson	Lieder	Ostrom	Swenson
Bettermann	Hartle	Limmer	Ozment	Thompson
Bishop	Hasskamp	Lourey	Pauly	Tompkins
Blatz	Haukoos	Lynch	Pellow	Trimble
Bodahl	Hausman	Macklin	Pelowski	Tunheim
Boo	Heir	Mariani	Peterson	Uphus
Brown	Henry	Marsh	Pugh	Valento
Carlson	Hufnagle	McEachern	Reding	Vanasek
Carruthers	Hugoson	McGuire	Rest	Vellenga
Clark	Jacobs	McPherson	Rice	Wagenius
Cooper	Janezich	Milbert	Rodosovich	Waltman
Dauner	Jaros	Morrison	Rukavina	Weaver
Davids	Jefferson	Munger	Runbeck	Wejcman
Dawkins	Jennings	Murphy	Sarna	Welle
Dempsey	Johnson, A.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, R.	Nelson, S.	Schreiber	Winter
Dorn	Johnson, V.	Newinski	Seaberg	Spk. Long
Erhardt	Kahn	O'Connor	Segal	

Those who voted in the negative were:

Krinkie	Welker

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

H. F. No. 2505, A bill for an act relating to telephones; allowing

telephone companies to offer caller identification service to its subscribers; proposing coding for new law in Minnesota Statutes, chapter 237.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 117 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Krueger	Olson, K.	Smith
Anderson, I.	Gutknecht	Lasley	Omann	Solberg
Anderson, R.	Hanson	Leppik	Orenstein	Sparby
Anderson, R. H.	Hartle	Lieder	Osthoff	Stanius
Battaglia	Hasskamp	Limmer	Ostrom	Steensma
Bauerly	Haukoos	Lourey	Ozment	Swenson
Beard	Hausman	Lynch	Pauly	Thompson
Begich	Heir	Macklin	Pellow	Tompkins
Bettermann	Henry	Mariani	Pelowski	Trimble
Bishop	Hufnagle	Marsh	Peterson	Tunheim
Blatz	Hugoson	McEachern	Pugh	Uphus
Bodahl	Jacobs	McGuire	Reding	Valento
Boo	Janezich	McPherson	Rest	Vanasek
Carlson	Jaros	Milbert	Rice	Vellenga
Cooper	Jefferson	Morrison	Rodosovich	Wagenius
Davids	Jennings	Munger	Rukavina	Waltman
Dawkins	Johnson, A.	Murphy	Runbeck	Weaver
Dempsey	Johnson, R.	Nelson, K.	Sarna	Welle
Dille	Johnson, V.	Nelson, S.	Schafer	Wenzel
Dorn	Kelso	Newinski	Schreiber	Winter
Erhardt	Kinkel	O'Connor	Seaberg	Spk. Long
Frederick	Knickerbocker	Ogren	Segal	
Garcia	Koppendrayer	Olsen, S.	Simoneau	
Girard	Krambeer	Olson, E.	Skoglund	

Those who voted in the negative were:

Bertram	Dauner	Kahn	Onnen	Wejcman
Brown	Farrell	Kalis	Orfield	Welker
Carruthers	Frerichs	Krinkie	Sviggum	

The bill was passed and its title agreed to.

H. F. No. 2647, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1990, sections 11A.23, subdivision 2; 13.791; 82B.20, subdivision 2; 86B.115; 86B.601, subdivision 1; 88.45; 103I.112; 115A.63, subdivision 3; 115A.82; 116J.70, subdivision 2a; 176.1041, subdivision 1; 176.361, subdivision 2; 177.23, subdivision 7; 183.38, subdivision 1; 214.01, subdivision 2; 268A.09, subdivision 7; 290.10; 297A.15, subdivision

5; 298.402; 298.405, subdivision 1; 326.405; 326.43; 348.13; 352.116, subdivision 3b; 352B.10, subdivision 5; 352B.105; 356.24; 356.82; 466.131; 504.02; 514.53; 517.08, subdivision 1c; and 609.0331; Minnesota Statutes 1991 Supplement, sections 3.873, subdivision 6; 16B.122, subdivision 2; 60D.20, subdivision 1; 60G.01, subdivision 2; 116.072, subdivision 1; 116J.693, subdivision 2; 124.19, subdivision 1; 124.479; 169.983; 171.06, subdivision 3; 179A.10, subdivision 2; 256.969, subdivisions 2 and 3a; 256B.74, subdivision 2; 256H.03, subdivision 5; 272.01, subdivision 2; 272.02, subdivision 1; 275.50, subdivision 5; 340A.4055; 457A.01, subdivision 5; 473.845, subdivision 3; and 611A.02, subdivision 2; reenacting Minnesota Statutes 1991 Supplement, section 256B.431, subdivision 3f; repealing Minnesota Statutes 1990, section 326.01, subdivision 20; Laws 1989, chapter 282, article 2, section 188; Laws 1991, chapters 182, section 1; and 305, section 10.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Girard	Krambeer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gutknecht	Lasley	Orfield	Sviggum
Begich	Hanson	Leppik	Osthoff	Swenson
Bertram	Hartle	Lieder	Ostrom	Thompson
Bettermann	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vanasek
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Winter
Dorn	Kahn	Newinski	Seaberg	Spk. Long
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 2750 was reported to the House.

Bishop moved to amend H. F. No. 2750, the first engrossment, as follows:

Page 5, line 17, restore the stricken language

Page 5, line 18, restore the stricken language and after the semicolon insert "for purposes mandated by local, state, or federal law; and for purposes of assessing the need to reasonably accommodate an employee or obtaining information to determine eligibility for the second injury fund under chapter 176; or pursuant to section 181.950 or 181.957; and"

Page 5, line 19, restore the stricken language and delete "(b)"

Page 5, line 22, restore the stricken language

Page 5, line 23, delete "(c)" and insert "(d)"

Page 5, line 33, after "and" insert "the results of the examination are used only in accordance with this chapter; or"

Page 5, delete lines 34 and 35

Page 5, line 36, restore the stricken language

Page 6, line 1, restore the stricken language

The motion prevailed and the amendment was adopted.

H. F. No. 2750, A bill for an act relating to human rights; defining certain terms; clarifying certain discriminatory practices; amending Minnesota Statutes 1990, sections 363.01, subdivision 35, and by adding subdivisions; 363.02, subdivision 1; 363.03, subdivisions 1, 2, 3, 4, and 10.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Bodahl	Cooper	Dorn
Anderson, I.	Begich	Boo	Dauner	Erhardt
Anderson, R.	Bertram	Brown	Davids	Farrell
Anderson, R. H.	Bettermann	Carlson	Dawkins	Frederick
Battaglia	Bishop	Carruthers	Dempsey	Frerichs
Bauerly	Blatz	Clark	Dille	Garcia

Girard	Kahn	Morrison	Peterson	Swenson
Goodno	Kalis	Munger	Pugh	Thompson
Greenfield	Kelso	Murphy	Reding	Tompkins
Gutknecht	Kinkel	Nelson, K.	Rest	Trimble
Hanson	Knickerbocker	Nelson, S.	Rice	Tunheim
Hartle	Koppendrayer	Newinski	Rodosovich	Uphus
Hasskamp	Krambeer	O'Connor	Rukavina	Valento
Haukoos	Krueger	Ogren	Runbeck	Vanasek
Hausman	Lasley	Olsen, S.	Sarna	Vellenga
Heir	Leppik	Olson, E.	Schafer	Wagenius
Henry	Lieder	Olson, K.	Schreiber	Waltman
Hufnagle	Limmer	Omann	Seaberg	Weaver
Hugoson	Lourey	Onnen	Segal	Wejcman
Jacobs	Lynch	Orenstein	Simoneau	Welle
Janezich	Macklin	Orfield	Skoglund	Wenzel
Jaros	Mariani	Osthoff	Smith	Winter
Jefferson	Marsh	Ostrom	Solberg	Spk. Long
Jennings	McEachern	Ozment	Sparby	
Johnson, A.	McGuire	Pauly	Stanius	
Johnson, R.	McPherson	Pellow	Steensma	
Johnson, V.	Milbert	Pelowski	Sviggum	

Those who voted in the negative were:

Krinkie	Welker

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

H. F. No. 1873 was reported to the House.

Reding moved to amend H. F. No. 1873, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 43A.27, subdivision 3, is amended to read:

Subd. 3. [RETIRED EMPLOYEES.] A retired employee of the state who receives an annuity under a state retirement program may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages that are actuarially equivalent to those made available through collective bargaining agreements or plans established pursuant to section 43A.18 to employees in positions equivalent to that from which retired. A spouse of a deceased retired employee who received an annuity under a state retirement program may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the employee's death. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired employee reaches age 65, the retired employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. Coverage for retired employees and their depen-

dents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 2. Minnesota Statutes 1990, section 471.61, is amended by adding a subdivision to read:

Subd. 2b. [INSURANCE CONTINUATION.] A unit of local government must allow a former employee and the employee's dependents to continue to participate indefinitely in the employer-sponsored hospital, medical, and dental insurance group that the employee participated in immediately before retirement, under the following conditions:

(a) The continuation requirement of this subdivision applies only to a former employee who is receiving a disability benefit or an annuity from a Minnesota public pension plan other than a volunteer firefighter plan, or who has met age and service requirements necessary to receive an annuity from such a plan.

(b) Until the former employee reaches age 65, the former employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance.

(c) A former employee may receive dependent coverage only if the employee received dependent coverage immediately before leaving employment. This subdivision does not require dependent coverage to continue after the death of the former employee. For purposes of this subdivision, "dependent" has the same meaning for former employees as it does for active employees in the unit of local government.

(d) Coverage for a former employee and dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left.

(e) The former employee must pay the entire premium for continuation coverage, except as otherwise provided in a collective bargaining agreement or personnel policy. A unit of local government may discontinue coverage if a former employee fails to pay the premium within the deadline provided for payment of premiums under federal law governing insurance continuation.

(f) An employer must notify an employee before termination of employment of the options available under this subdivision, and of the deadline for electing to continue to participate.

(g) A former employee must notify the employer of intent to participate within the deadline provided for notice of insurance continuation under federal law. A former employee who does not elect to continue participation does not have a right to reenter the employer's group insurance program.

(h) A former employee who initially selects dependent coverage may later drop dependent coverage while retaining individual coverage. A former employee may not drop individual coverage and retain dependent coverage.

(i) This subdivision does not limit rights granted to former employees under other state or federal law, or under collective bargaining agreements or personnel plans.

(j) Except for those employees covered by section 179A.16, subdivision 9, unless otherwise provided by a collective bargaining agreement, any additional premium cost from inclusion of retired employees must be paid by active employees through payroll deductions.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 apply to each public employer upon the next expiration of a collective bargaining agreement or personnel plan establishing insurance premiums and coverage for active employees. Sections 1 and 2 do not apply to a person who became a former employee before the effective date of sections 1 and 2, unless the person has continuously participated in the employer-sponsored insurance group since leaving employment."

The motion prevailed and the amendment was adopted.

H. F. No. 1873, A bill for an act relating to public employment; requiring public employers to include certain former employees in the same insurance pool as active employees; amending Minnesota Statutes 1990, sections 43A.27, subdivision 3; and 471.61, by adding a subdivision.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Girard	Krambeer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gutknecht	Lasley	Orfield	Sviggum
Begich	Hanson	Leppik	Osthoff	Swenson
Bertram	Hartle	Lieder	Ostrom	Thompson
Bettermann	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vanasek
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Winter
Dorn	Kahn	Newinski	Seaberg	Spk. Long
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

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

H. F. No. 2108 was reported to the House.

O'Connor moved to amend H. F. No. 2108, the first engrossment, as follows:

Page 1, after line 12, insert:

"In the event that any rules are adopted under this section, the Department of Agriculture shall adopt rules regarding products that do not contain beverage alcohol and the Department of Public Safety, Liquor Control Division shall adopt rules regarding beverage alcohol products."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2108, A bill for an act relating to agriculture; requiring vendors at certain events to sell food and beverages grown, produced, or prepared in Minnesota; proposing coding for new law in Minnesota Statutes, chapter 17.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 90 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dempsey	Kelso	O'Connor	Sarna
Anderson, R.	Dorn	Kinkel	Ogren	Segal
Anderson, R. H.	Farrell	Koppendrayer	Olson, E.	Skoglund
Battaglia	Garcia	Krambeer	Olson, K.	Solberg
Bauerly	Gutknecht	Krueger	Omann	Sparby
Beard	Hanson	Lasley	Orenstein	Steensma
Begich	Hartle	Lieder	Orfield	Swenson
Bertram	Hasskamp	Limmer	Osthoff	Thompson
Bishop	Hausman	Lourey	Ostrom	Trimble
Bodahl	Jacobs	Macklin	Ozment	Tunheim
Boo	Janezich	Mariani	Pauly	Uphus
Brown	Jaros	McEachern	Peterson	Vellenga
Carlson	Jefferson	McGuire	Pugh	Wagenius
Carruthers	Jennings	Milbert	Reding	Wejcman
Clark	Johnson, A.	Morrison	Rest	Welle
Cooper	Johnson, R.	Murphy	Rice	Wenzel
Dauner	Kahn	Nelson, K.	Rodosovich	Winter
Dawkins	Kalis	Nelson, S.	Rukavina	Spk. Long

Those who voted in the negative were:

Abrams	Goodno	Leppik	Pelowski	Tompkins
Bettermann	Haukoos	Lynch	Runbeck	Valento
Blatz	Heir	Marsh	Schafer	Vanasek
Davids	Henry	McPherson	Schreiber	Waltman
Dille	Hufnagle	Munger	Seaberg	Weaver
Erhardt	Hugoson	Newinski	Simoneau	Welker
Frederick	Johnson, V.	Olsen, S.	Smith	
Frerichs	Knickerbocker	Onnen	Stanius	
Girard	Krinkie	Pellow	Sviggum	

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

S. F. No. 1619, A bill for an act relating to crimes; expanding list of offenses that result in ineligibility for a pistol permit to include all felonies, domestic abuse, and malicious punishment of a child; amending Minnesota Statutes 1990, section 624.713, subdivision 1; and Minnesota Statutes 1991 Supplement, section 624.712, subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, I.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R.	Girard	Krambeer	Omann	Sparby
Anderson, R. H.	Goodno	Krinkie	Onnen	Stanius
Battaglia	Greenfield	Krueger	Orenstein	Steensma
Bauerly	Gutknecht	Lasley	Orfield	Sviggum
Beard	Hanson	Leppik	Osthoff	Swenson
Begich	Hartle	Lieder	Ostrom	Thompson
Bertram	Hasskamp	Limmer	Ozment	Tompkins
Bettermann	Haukoos	Lourey	Pauly	Trimble
Bishop	Hausman	Lynch	Pellow	Tunheim
Blatz	Heir	Macklin	Pelowski	Uphus
Bodahl	Henry	Mariani	Peterson	Valento
Boo	Hufnagle	Marsh	Pugh	Vanasek
Brown	Hugoson	McEachern	Reding	Vellenga
Carlson	Jacobs	McGuire	Rest	Wagenius
Carruthers	Janezich	McPherson	Rice	Waltman
Clark	Jaros	Milbert	Rodosovich	Weaver
Cooper	Jefferson	Morrison	Rukavina	Wejcman
Dauner	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Winter
Dorn	Kahn	Newinski	Seaberg	Spk. Long
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	
Frederick	Kinkel	Olsen, S.	Skoglund	

Those who voted in the negative were:

Davids

The bill was passed and its title agreed to.

H. F. No. 1980 was reported to the House.

Carruthers and Pugh moved to amend H. F. No. 1980, the first engrossment, as follows:

Page 1, line 18, after "benefits" insert "under an individual or group policy"

The motion prevailed and the amendment was adopted.

H. F. No. 1980, A bill for an act relating to insurance; regulating accidental death benefits; regulating the structure and functions of the Minnesota automobile insurance plan; amending Minnesota Statutes 1990, sections 61A.011, by adding a subdivision; 65B.01; 65B.02, subdivisions 1, 4, and 7; 65B.03, subdivision 1; 65B.04, subdivisions 3 and 4; 65B.05; 65B.06; 65B.07, subdivision 4; 65B.08, subdivisions 1 and 2; 65B.09; 65B.10; and 65B.12, subdivision 1; repealing Minnesota Statutes 1990, sections 65B.04, subdivisions 1 and 2; and 65B.07, subdivision 2.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Girard	Krambeer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gutknecht	Lasley	Orfield	Sviggum
Begich	Hanson	Leppik	Osthoff	Swenson
Bertram	Hartle	Lieder	Ostrom	Thompson
Bettermann	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vanasek
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Winter
Dorn	Kahn	Newinski	Seaberg	Spk. Long
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

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

H. F. No. 2181 was reported to the House.

Carruthers moved to amend H. F. No. 2181, the first engrossment, as follows:

Page 37, line 21, delete "Section 5 is" and insert "Sections 5, 13, 14, 16, 17, 27, 28, and 30 to 39 are"

The motion prevailed and the amendment was adopted.

H. F. No. 2181, A bill for an act relating to data practices; classifying government data; providing for access to and charges for patient's medical records; providing for the treatment of records of certain criminal convictions; altering the procedures of the pardon board and treatment of its records; providing criminal background checks of professional and volunteer child care providers; providing

for subpoena powers of county attorneys; changing the time when an arrest warrant may be served; amending Minnesota Statutes 1990, sections 13.08, subdivision 1; 13.46, subdivision 7; 144.335, by adding subdivisions; 147.161, subdivision 3; 152.18, subdivision 1; 242.31; 270B.14, by adding a subdivision; 299C.11; 299C.13; 363.03, subdivision 1; 388.23, subdivision 1; 609.168; 626.14; and 638.02, subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections 13.46, subdivision 2; 144.0525; 144.335, subdivisions 1 and 3a; 609.535, subdivision 6; 638.02, subdivision 3; 638.04; 638.05; and 638.06; proposing coding for new law in Minnesota Statutes, chapters 13; 144; 299C; 357; and 638; proposing coding for new law as Minnesota Statutes, chapter 13C.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Girard	Krambeer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gutknecht	Lasley	Orfield	Sviggum
Begich	Hanson	Leppik	Osthoff	Swenson
Bertram	Hartle	Lieder	Ostrom	Thompson
Bettermann	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vanasek
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Long
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

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

H. F. No. 2211 was reported to the House.

Bauerly and Vellenga moved to amend H. F. No. 2211, the first engrossment, as follows:

Pages 1 to 3, delete section 2

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Bauerly and Welker moved to amend H. F. No. 2211, the first engrossment, as amended, as follows:

Page 1, line 24, after the period, insert "In addition, a hazardous materials specialist employed by the department of transportation may, in the course of responding to an emergency, use a motor vehicle governed by subdivision 1 to stop a vehicle as defined in section 169.01, subdivision 2."

The motion prevailed and the amendment was adopted.

H. F. No. 2211, A bill for an act relating to crime; clarifying certain law enforcement powers; creating a permissive inference of possession with respect to a firearm in an automobile; making technical corrections to the eligibility criteria and transfer process applicable to permits to possess a pistol; amending Minnesota Statutes 1990, sections 169.98, subdivision 1a; 299D.06; 624.713, subdivision 1; 624.7131, subdivision 10; and 624.7132, subdivisions 4 and 8; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Bodahl	Cooper	Dorn
Anderson, I.	Begich	Boo	Dauner	Erhardt
Anderson, R.	Bertram	Brown	Davids	Farrell
Anderson, R. H.	Bettermann	Carlson	Dawkins	Frederick
Battaglia	Bishop	Carruthers	Dempsey	Frerichs
Bauerly	Blatz	Clark	Dille	Garcia

Girard	Kahn	Milbert	Pelowski	Sviggum
Goodno	Kalis	Morrison	Peterson	Swenson
Greenfield	Kelso	Munger	Pugh	Thompson
Gutknecht	Kinkel	Murphy	Reding	Tompkins
Hanson	Knickerbocker	Nelson, K.	Rest	Trimble
Hartle	Koppendrayer	Nelson, S.	Rice	Tunheim
Hasskamp	Krambeer	Newinski	Rodosovich	Uphus
Haukoos	Krinkie	O'Connor	Rukavina	Valento
Hausman	Krueger	Ogren	Runbeck	Vanasek
Heir	Lasley	Olsen, S.	Sarna	Vellenga
Henry	Leppik	Olson, E.	Schafer	Wagenius
Hufnagle	Lieder	Olson, K.	Schreiber	Waltman
Hugoson	Limmer	Omann	Seaberg	Weaver
Jacobs	Lourey	Onnen	Segal	Wejcman
Janezich	Lynch	Orenstein	Simoneau	Welker
Jaros	Macklin	Orfield	Skoglund	Welle
Jefferson	Mariani	Osthoff	Smith	Wenzel
Jennings	Marsh	Ostrom	Solberg	Winter
Johnson, A.	McEachern	Ozment	Sparby	Spk. Long
Johnson, R.	McGuire	Pauly	Stanius	
Johnson, V.	McPherson	Pellow	Steensma	

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

The Speaker called Krueger to the Chair.

S. F. No. 2637 was reported to the House.

Johnson, A., moved to amend S. F. No. 2637, as follows:

Page 1, line 18, after "shipper's" insert "initial" and after "request" insert "for service"

Page 2, after line 17, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

The motion prevailed and the amendment was adopted.

S. F. No. 2637, A bill for an act relating to motor carriers; regulating courier services carriers; amending Minnesota Statutes 1990, section 221.011, subdivision 25.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Girard	Krambeer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gutknecht	Lasley	Orfield	Sviggum
Begich	Hanson	Leppik	Osthoff	Swenson
Bertram	Hartle	Lieder	Ostrom	Thompson
Bettermann	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vanasek
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Winter
Dorn	Kahn	Newinski	Seaberg	Spk. Long
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

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

H. F. No. 1738 was reported to the House.

Vellenga moved that H. F. No. 1738 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 2250. A bill for an act relating to public safety officer's survivor benefits; altering a definition; providing a claim filing limitation and data classification; amending Minnesota Statutes 1990, section 299A.41, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapter 299A.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Bishop	Carlson	Davids
Anderson, I.	Beard	Blatz	Carruthers	Dawkins
Anderson, R.	Begich	Bodahl	Clark	Dempsey
Anderson, R. H.	Bertram	Boo	Cooper	Dille
Battaglia	Bettermann	Brown	Dauner	Dorn

Erhardt	Jennings	McEachern	Pauly	Steensma
Farrell	Johnson, A.	McGuire	Pellow	Sviggum
Frederick	Johnson, R.	McPherson	Pelowski	Swenson
Frerichs	Johnson, V.	Milbert	Peterson	Thompson
Garcia	Kahn	Morrison	Pugh	Tompkins
Girard	Kalis	Munger	Reding	Trimble
Goodno	Kelso	Murphy	Rest	Tunheim
Greenfield	Kinkel	Nelson, K.	Rice	Uphus
Gutknecht	Knickerbocker	Nelson, S.	Rodosovich	Valento
Hanson	Koppendrayer	Newinski	Rukavina	Vanasek
Hartle	Krambeer	O'Connor	Runbeck	Vellenga
Hasskamp	Krinkie	Ogren	Sarna	Wagenius
Haukoos	Krueger	Olsen, S.	Schafer	Waltman
Hausman	Lasley	Olson, E.	Schreiber	Weaver
Heir	Leppik	Olson, K.	Seaberg	Wejcman
Henry	Lieder	Omann	Segal	Welker
Hufnagle	Limmer	Onnen	Simoneau	Welle
Hugoson	Lourey	Orenstein	Skoglund	Wenzel
Jacobs	Lynch	Orfield	Smith	Winter
Janezich	Macklin	Osthoff	Solberg	Spk. Long
Jaros	Mariani	Ostrom	Sparby	
Jefferson	Marsh	Ozment	Stanius	

The bill was passed and its title agreed to.

H. F. No. 2257, A bill for an act relating to retirement; authorizing purchase of prior service credit from the teachers retirement association by a certain employee of independent school district No. 197.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Johnson, V.	Murphy	Rice
Anderson, I.	Erhardt	Kahn	Nelson, K.	Rodosovich
Anderson, R.	Farrell	Kalis	Nelson, S.	Rukavina
Anderson, R. H.	Frederick	Kelso	Newinski	Runbeck
Battaglia	Frerichs	Kinkel	O'Connor	Sarna
Bauerly	Garcia	Knickerbocker	Ogren	Schafer
Beard	Goodno	Krambeer	Olsen, S.	Schreiber
Begich	Greenfield	Krueger	Olson, E.	Seaberg
Bertram	Gutknecht	Lasley	Olson, K.	Segal
Bettermann	Hanson	Leppik	Omann	Simoneau
Bishop	Hartle	Lieder	Onnen	Skoglund
Blatz	Hasskamp	Limmer	Orenstein	Smith
Bodahl	Hausman	Lourey	Orfield	Solberg
Boo	Heir	Lynch	Osthoff	Sparby
Brown	Henry	Macklin	Ostrom	Stanius
Carlson	Hufnagle	Mariani	Ozment	Steensma
Carruthers	Hugoson	Marsh	Pauly	Swenson
Clark	Jacobs	McEachern	Pellow	Thompson
Cooper	Janezich	McGuire	Pelowski	Tompkins
Dauner	Jaros	McPherson	Peterson	Trimble
Dawkins	Jefferson	Milbert	Pugh	Tunheim
Dempsey	Johnson, A.	Morrison	Reding	Uphus
Dille	Johnson, R.	Munger	Rest	Vanasek

Vellenga	Weaver	Welle	Winter
Wagenius	Wejcman	Wenzel	Spk. Long

Those who voted in the negative were:

Davids	Haukoos	Koppendrayer	Sviggum	Waltman
Girard	Jennings	Krinkie	Valento	Welker

The bill was passed and its title agreed to.

S. F. No. 1997, A bill for an act relating to insurance; providing for automobile insurance policy coverage on the repair or replacement of motor vehicle glass; amending Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Girard	Krambeer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gutknecht	Lasley	Orfield	Sviggum
Begich	Hanson	Leppik	Osthoff	Swenson
Bertram	Hartle	Lieder	Ostrom	Thompson
Bettermann	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vanasek
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Long
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

The bill was passed and its title agreed to.

Dempsey was excused for the remainder of today's session.

H. F. No. 2000 was reported to the House.

Macklin moved to amend H. F. No. 2000, the first engrossment, as follows:

Page 19, line 11, after "Address" insert "of Person Granting the Power"

Page 20, line 3, before "Principal" insert "the above-named"

Page 20, line 5, delete everything after the colon

Page 20, line 6, delete everything before "with" and insert "To act for me in any way that I could act"

The motion prevailed and the amendment was adopted.

H. F. No. 2000, A bill for an act relating to probate; changing provisions relating to merger of trusts, certificates of trust, affidavits of trustees, and powers of attorney; amending Minnesota Statutes 1990, sections 508.62; 508A.62; 523.02; 523.03; 523.07; 523.08; 523.09; 523.11, subdivisions 1 and 2; 523.17; 523.18; 523.19; 523.21; 523.22; 523.23, subdivisions 1, 2, 3, and by adding subdivisions; 523.24, subdivisions 1, 7, 8, and 9; Minnesota Statutes 1991 Supplement, section 518.58, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 501B; and 523; repealing Minnesota Statutes 1990, section 523.25.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Carruthers	Gutknecht	Johnson, R.	Lynch
Anderson, I.	Clark	Hanson	Johnson, V.	Macklin
Anderson, R.	Cooper	Hartle	Kahn	Mariani
Anderson, R. H.	Dauner	Hasskamp	Kalis	Marsh
Battaglia	Davids	Haukoos	Kelso	McEachern
Bauerly	Dawkins	Hausman	Kinkel	McGuire
Beard	Dille	Heir	Knickerbocker	McPherson
Begich	Dorn	Henry	Koppendrayer	Milbert
Bertram	Erhardt	Hufnagle	Krambeer	Morrison
Bettermann	Farrell	Hugoson	Krinkie	Munger
Bishop	Frederick	Jacobs	Krueger	Murphy
Blatz	Frerichs	Janezich	Lasley	Nelson, K.
Bodahl	Garcia	Jaros	Leppik	Nelson, S.
Boo	Girard	Jefferson	Lieder	Newinski
Brown	Goodno	Jennings	Limmer	O'Connor
Carlson	Greenfield	Johnson, A.	Lourey	Ogren

Olsen, S.	Pellow	Schafer	Sviggum	Waltman
Olson, E.	Pelowski	Schreiber	Swenson	Weaver
Olson, K.	Peterson	Seaberg	Thompson	Wejcman
Omann	Pugh	Segal	Tompkins	Welker
Onnen	Reding	Simoneau	Trimble	Welle
Orenstein	Rest	Skoglund	Tunheim	Wenzel
Orfield	Rice	Smith	Uphus	Winter
Osthoff	Rodosovich	Solberg	Valento	Spk. Long
Ostrom	Rukavina	Sparby	Vanasek	
Ozment	Runbeck	Stanius	Vellenga	
Pauly	Sarna	Steensma	Wagenius	

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

H. F. No. 1910 was reported to the House.

Rest and Abrams moved to amend H. F. No. 1910, the second engrossment, as follows:

Page 1, after line 35, insert:

"Section 1. Minnesota Statutes 1990, section 211B.15, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] "Corporation" for purposes of this section means a corporation or limited liability company organized for profit that does business in Minnesota."

Page 21, after line 32, insert:

"Sec. 29. [EFFECTIVE DATE.]

Sections 2 and 3 are effective for taxable years beginning after December 31, 1992. The rest of the article is effective January 1, 1993."

Renumber the sections in article 1 in sequence

Page 161, after line 24, insert:

"Sec. 142. [EFFECTIVE DATE.]

This article is effective January 1, 1993."

Amend the title as follows:

Page 1, line 19, delete "appropriating money;"

Page 1, line 20, after "sections" insert "211B.15, subdivision 1;"

The motion prevailed and the amendment was adopted.

H. F. No. 1910, A bill for an act relating to corporations; providing for the formation, organization, operation, taxation, management, and ownership of limited liability companies; prescribing the procedures for filing articles of organization; establishing the powers of a limited liability company; providing for the naming of a limited liability company; providing for the appointment of a resident agent for a limited liability company; establishing the relationship of the members of a limited liability company to each other and to third parties; permitting the merger of one or more limited liability companies with other domestic limited liability companies and domestic and foreign corporations; providing for the dissolution, winding up, and termination of a limited liability company; providing for foreign limited liability companies to do business in this state; defining certain terms; amending Minnesota Statutes 1990, sections 211B.15, subdivision 1; 290.01, by adding a subdivision; 302A.011, subdivision 19; 302A.115, subdivision 1; 302A.121, subdivision 2; 302A.601, by adding a subdivision; 308A.005, subdivision 6; 308A.121, subdivision 1; 317A.011, subdivision 16; 317A.115, subdivision 2; 319A.02, subdivision 5, and by adding a subdivision; 319A.03; 319A.05; 319A.06, subdivision 2; 319A.07; 319A.12, subdivisions 1a and 2; 319A.20; 322A.01; 322A.02; 333.001; 333.18, subdivision 2; 333.20, subdivision 2; and 333.21, subdivision 1; Minnesota Statutes 1991 Supplement, sections 290.06, subdivision 22; 302A.471, subdivision 1; and 500.24, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 322B.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Haukoos	Knickerbocker	Milbert
Anderson, I.	Davids	Hausman	Koppendrayer	Morrison
Anderson, R.	Dawkins	Heir	Krambeer	Munger
Anderson, R. H.	Dille	Henry	Krinkie	Murphy
Battaglia	Dorn	Hufnagle	Krueger	Nelson, K.
Bauerly	Erhardt	Hugoson	Lasley	Nelson, S.
Beard	Farrell	Jacobs	Leppik	Newinski
Begich	Frederick	Jaros	Lieder	O'Connor
Bertram	Frerichs	Jefferson	Limmer	Ogren
Bettermann	Garcia	Jennings	Lourey	Olsen, S.
Bishop	Girard	Johnson, A.	Lynch	Olson, E.
Blatz	Goodno	Johnson, R.	Macklin	Omann
Bodahl	Greenfield	Johnson, V.	Mariani	Onnen
Boo	Gutknecht	Kahn	Marsh	Orenstein
Carlson	Hanson	Kalis	McEachern	Orfield
Carruthers	Hartle	Kelso	McGuire	Osthoff
Clark	Hasskamp	Kinkel	McPherson	Ostrom

Ozment	Rukavina	Smith	Trimble	Welker
Pauly	Runbeck	Solberg	Tunheim	Welle
Pellow	Sarna	Sparby	Uphus	Wenzel
Pelowski	Schafer	Stanius	Valento	Winter
Pugh	Schreiber	Steensma	Vellenga	Spk. Long
Reding	Seaberg	Sviggum	Wagenius	
Rest	Segal	Swenson	Waltman	
Rice	Simoneau	Thompson	Weaver	
Rodosovich	Skoglund	Tompkins	Wejcman	

Those who voted in the negative were:

Brown	Cooper	Olson, K.	Peterson	Vanasek

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

H. F. No. 1738 which was temporarily laid over earlier today on Special Orders was again reported to the House.

Vellenga moved to amend H. F. No. 1738, the first engrossment, as follows:

Page 2, line 4, delete "three years" and insert "a three-year period"

The motion prevailed and the amendment was adopted.

H. F. No. 1738, A bill for an act relating to family law; clarifying certain rights of grandparents to visitation; modifying the requirements for a person other than a parent who seeks child custody or visitation; amending Minnesota Statutes 1990, sections 257.022, subdivisions 2 and 2a; 518.156, subdivision 1; and 518.175, subdivision 7.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bishop	Davids	Goodno	Hufnagle
Anderson, I.	Blatz	Dawkins	Greenfield	Hugoson
Anderson, R.	Bodahl	Dille	Gutknecht	Jacobs
Anderson, R. H.	Boo	Dorn	Hanson	Janezich
Battaglia	Brown	Erhardt	Hartle	Jaros
Bauerly	Carlson	Farrell	Hasskamp	Jefferson
Beard	Carruthers	Frederick	Haukoos	Jennings
Begich	Clark	Frerichs	Hausman	Johnson, A.
Bertram	Cooper	Garcia	Heir	Johnson, R.
Bettermann	Dauner	Girard	Henry	Johnson, V.

Kahn	Marsh	Onnen	Sarna	Tunheim
Kalis	McEachern	Orenstein	Schafer	Uphus
Kelso	McGuire	Orfield	Schreiber	Valento
Kinkel	McPherson	Osthoff	Seaberg	Vanasek
Knickerbocker	Milbert	Ostrom	Segal	Vellenga
Koppendrayer	Morrison	Ozment	Simoneau	Wagenius
Krambeer	Munger	Pauly	Skoglund	Waltman
Krinkie	Murphy	Pellow	Smith	Weaver
Krueger	Nelson, K.	Pelowski	Solberg	Wejcman
Lasley	Nelson, S.	Peterson	Sparby	Welker
Leppik	Newinski	Pugh	Stanius	Welle
Lieder	O'Connor	Reding	Steensma	Wenzel
Limmer	Ogren	Rest	Sviggum	Winter
Lourey	Olsen, S.	Rice	Swenson	Spk. Long
Lynch	Olson, E.	Rodosovich	Thompson	
Macklin	Olson, K.	Rukavina	Tompkins	
Mariani	Omann	Runbeck	Trimble	

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

The Speaker resumed the Chair.

H. F. No. 2190 was reported to the House.

McGuire moved to amend H. F. No. 2190, the second engrossment, as follows:

Page 1, line 11, delete "the authority" and insert "that Ramsey county"

The motion prevailed and the amendment was adopted.

H. F. No. 2190, A bill for an act relating to economic development; providing that Ramsey county may act as a housing and redevelopment authority for one year; amending Minnesota Statutes 1990, section 469.004, by adding a subdivision.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Beard	Bodahl	Cooper	Erhardt
Anderson, I.	Begich	Boo	Dauner	Farrell
Anderson, R.	Bertram	Brown	Davids	Frederick
Anderson, R. H.	Bettermann	Carlson	Dawkins	Frerichs
Battaglia	Bishop	Carruthers	Dille	Garcia
Bauerly	Blatz	Clark	Dorn	Girard

Goodno	Kahn	McPherson	Pellow	Steensma
Greenfield	Kalis	Milbert	Pelowski	Sviggum
Gutknecht	Kelso	Morrison	Peterson	Swenson
Hanson	Kinkel	Munger	Pugh	Thompson
Hartle	Knickerbocker	Murphy	Reding	Tompkins
Hasskamp	Koppendrayer	Nelson, K.	Rest	Trimble
Haukoos	Krambeer	Nelson, S.	Rice	Tunheim
Hausman	Krinkie	Newinski	Rodosovich	Uphus
Heir	Krueger	O'Connor	Runbeck	Valento
Henry	Lasley	Ogren	Sarna	Vanasek
Hufnagle	Leppik	Olsen, S.	Schafer	Vellenga
Hugoson	Lieder	Olson, E.	Schreiber	Wagenius
Jacobs	Limmer	Olson, K.	Seaberg	Waltman
Janezich	Lourey	Omann	Segal	Weaver
Jaros	Lynch	Onnen	Simoneau	Wejcman
Jefferson	Macklin	Orenstein	Skoglund	Welker
Jennings	Mariani	Orfield	Smith	Welle
Johnson, A.	Marsh	Osthoff	Solberg	Wenzel
Johnson, R.	McEachern	Ostrom	Sparby	Winter
Johnson, V.	McGuire	Pauly	Stanius	Spk. Long

Those who voted in the negative were:

Rukavina

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

S. F. No. 2001, A bill for an act relating to the environment; changing and adding provisions relating to the liability of and reimbursement to mortgagees and holders of other security interests for petroleum tank releases; expanding the eligibility of political subdivisions for reimbursement from the petroleum tank release cleanup account; amending Minnesota Statutes 1990, sections 115C.02, subdivision 8; 115C.021, by adding a subdivision; and 115C.09, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 3b.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bodahl	Erhardt	Haukoos	Johnson, R.
Anderson, I.	Boo	Farrell	Hausman	Johnson, V.
Anderson, R.	Brown	Frederick	Heir	Kahn
Anderson, R. H.	Carlson	Frerichs	Henry	Kalis
Battaglia	Carruthers	Garcia	Hufnagle	Kelso
Bauerly	Clark	Girard	Hugoson	Kinkel
Beard	Cooper	Goodno	Jacobs	Knickerbocker
Begich	Dauner	Greenfield	Janezich	Koppendrayer
Bertram	Davids	Gutknecht	Jaros	Krambeer
Bettermann	Dawkins	Hanson	Jefferson	Krinkie
Bishop	Dille	Hartle	Jennings	Krueger
Blatz	Dorn	Hasskamp	Johnson, A.	Lasley

Leppik	Nelson, K.	Pauly	Segal	Valento
Lieder	Nelson, S.	Pellow	Simoneau	Vanasek
Limmer	Newinski	Pelowski	Skoglund	Vellenga
Lourey	O'Connor	Peterson	Smith	Wagenius
Lynch	Ogren	Pugh	Solberg	Waltman
Macklin	Olsen, S.	Reding	Sparby	Weaver
Mariani	Olson, E.	Rest	Stanius	Wejcman
Marsh	Olson, K.	Rice	Steensma	Welker
McEachern	Omann	Rodosovich	Sviggum	Welle
McGuire	Onnen	Rukavina	Swenson	Wenzel
McPherson	Orenstein	Runbeck	Thompson	Winter
Milbert	Orfield	Sarna	Tompkins	Spk. Long
Morrison	Osthoff	Schafer	Trimble	
Munger	Ostrom	Schreiber	Tunheim	
Murphy	Ozment	Seaberg	Uphus	

The bill was passed and its title agreed to.

S. F. No. 2301, A bill for an act relating to water and soil resources; lands eligible for the reinvest in Minnesota program; amending Minnesota Statutes 1990, sections 103F.505; 103F.511, by adding a subdivision; and Minnesota Statutes 1991 Supplement, section 103F.515, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Olson, K.	Solberg
Anderson, I.	Garcia	Koppendrayer	Omann	Sparby
Anderson, R.	Girard	Krambeer	Onnen	Stanius
Anderson, R. H.	Goodno	Krinkie	Orenstein	Steensma
Battaglia	Greenfield	Krueger	Orfield	Sviggum
Bauerly	Gutknecht	Lasley	Osthoff	Swenson
Beard	Hanson	Leppik	Ostrom	Thompson
Begich	Hartle	Lieder	Ozment	Tompkins
Bertram	Hasskamp	Limmer	Pauly	Trimble
Bettermann	Haukoos	Lynch	Pellow	Tunheim
Bishop	Hausman	Macklin	Pelowski	Uphus
Blatz	Heir	Mariani	Peterson	Valento
Bodahl	Henry	Marsh	Pugh	Vanasek
Boo	Hufnagle	McEachern	Reding	Vellenga
Brown	Hugoson	McGuire	Rest	Wagenius
Carlson	Jacobs	McPherson	Rice	Waltman
Carruthers	Janezich	Milbert	Rodosovich	Weaver
Clark	Jaros	Morrison	Rukavina	Wejcman
Cooper	Jefferson	Munger	Runbeck	Welker
Dauner	Jennings	Murphy	Sarna	Welle
Davids	Johnson, A.	Nelson, K.	Schafer	Wenzel
Dawkins	Johnson, R.	Nelson, S.	Schreiber	Winter
Dille	Johnson, V.	Newinski	Seaberg	Spk. Long
Dorn	Kahn	O'Connor	Segal	
Erhardt	Kalis	Ogren	Simoneau	
Farrell	Kelso	Olsen, S.	Skoglund	
Frederick	Kinkel	Olson, E.	Smith	

The bill was passed and its title agreed to.

S. F. No. 1671, A bill for an act relating to statutes; providing for the numbering of session law chapters; amending Minnesota Statutes 1990, section 3C.04, subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, I.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R.	Girard	Krambeer	Omann	Sparby
Anderson, R. H.	Goodno	Krinkie	Onnen	Stanius
Battaglia	Greenfield	Krueger	Orenstein	Steensma
Bauerly	Gutknecht	Lasley	Orfield	Sviggum
Beard	Hanson	Leppik	Osthoff	Swenson
Begich	Hartle	Lieder	Ostrom	Thompson
Bertram	Hasskamp	Limmer	Ozment	Tompkins
Bettermann	Haukoos	Lourey	Pauly	Trimble
Bishop	Hausman	Lynch	Pellow	Tunheim
Blatz	Heir	Macklin	Pelowski	Uphus
Bodahl	Henry	Mariani	Peterson	Valento
Boo	Hufnagle	Marsh	Pugh	Vanasek
Brown	Hugoson	McEachern	Reding	Vellenga
Carlson	Jacobs	McGuire	Rest	Wagenius
Carruthers	Janezich	McPherson	Rice	Waltman
Clark	Jaros	Milbert	Rodosovich	Weaver
Cooper	Jefferson	Morrison	Rukavina	Wejcman
Dauner	Jennings	Munger	Runbeck	Welker
Davids	Johnson, A.	Murphy	Sarna	Welle
Dawkins	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Winter
Dorn	Kahn	Newinski	Seaberg	Spk. Long
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	
Frederick	Kinkel	Olsen, S.	Skoglund	

The bill was passed and its title agreed to.

S. F. No. 2124, A bill for an act relating to crimes; increasing the distance an accused or convicted person may be transferred without an escort of the same sex; amending Minnesota Statutes 1990, section 631.412.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Koppendrayer	Olson, K.	Solberg
Anderson, I.	Garcia	Krambeer	Omann	Sparby
Anderson, R.	Girard	Krinkie	Onnen	Stanius
Anderson, R. H.	Goodno	Krueger	Orenstein	Steensma
Battaglia	Greenfield	Lasley	Orfield	Sviggum
Bauerly	Gutknecht	Leppik	Osthoff	Swenson
Beard	Hanson	Lieder	Ostrom	Thompson
Begich	Hartle	Limmer	Ozment	Tompkins
Bertram	Hasskamp	Lourey	Pauly	Trimble
Bettermann	Haukoos	Lynch	Pellow	Tunheim
Bishop	Hausman	Macklin	Pelowski	Uphus
Blatz	Heir	Mariani	Peterson	Valento
Bodahl	Henry	Marsh	Pugh	Vanasek
Boo	Hufnagle	McEachern	Reding	Vellenga
Brown	Hugoson	McGuire	Rest	Wagenius
Carlson	Jacobs	McPherson	Rice	Waltman
Carruthers	Janezich	Milbert	Rodosovich	Weaver
Clark	Jaros	Morrison	Rukavina	Wejcman
Cooper	Jefferson	Munger	Runbeck	Welker
Dauner	Jennings	Murphy	Sarna	Welle
Davids	Johnson, A.	Nelson, K.	Schafer	Wenzel
Dawkins	Johnson, R.	Nelson, S.	Schreiber	Winter
Dille	Johnson, V.	Newinski	Seaberg	Spk. Long
Dorn	Kahn	O'Connor	Segal	
Erhardt	Kalis	Ogren	Simoneau	
Farrell	Kelso	Olsen, S.	Skoglund	
Frederick	Knickerbocker	Olson, E.	Smith	

The bill was passed and its title agreed to.

Welle moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Welle moved that the bills on General Orders for today be continued. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1903, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1990, section 124.495; Minnesota Statutes 1991 Supplement, section 124.479; proposing coding for new law in Minnesota Statutes, chapters 124; and 124C.

PATRICK E. FLAHAVEN, Secretary of the Senate

Simoneau moved that the House refuse to concur in the Senate amendments to H. F. No. 1903, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

MOTIONS AND RESOLUTIONS

McPherson moved that the name of Krambeer be added as an author on H. F. No. 2244. The motion prevailed.

O'Connor moved that the name of Dawkins be added as an author on H. F. No. 3013. The motion prevailed.

Marsh moved that H. F. No. 1713 be returned to its author. The motion prevailed.

Hausman moved that H. F. No. 2083 be returned to its author. The motion prevailed.

Greenfield moved that H. F. No. 2499 be returned to its author. The motion prevailed.

Macklin moved that H. F. No. 2745 be returned to its author. The motion prevailed.

Dawkins moved that H. F. No. 2925 be returned to its author. The motion prevailed.

Waltman moved that H. F. No. 2929 be returned to its author. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1903:

Simoneau, Rice, Carlson, Kelso and Anderson, R.

NOTICE PURSUANT TO RULE 1.16

Pursuant to rule 1.16, Bettermann gave notice that she is requesting the return to the House of H. F. No. 176 from the Committee on General Legislation, Veterans Affairs and Gaming.

ADJOURNMENT

Welle moved that when the House adjourns today it adjourn until 1:00 p.m., Thursday, April 2, 1992. The motion prevailed.

Welle moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Thursday, April 2, 1992.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

EIGHTY-NINTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 1, 1992

The Senate met on Wednesday, April 1, 1992, which was the Eighty-ninth Legislative Day of the Seventy-seventh Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

NINETIETH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 2, 1992

The House of Representatives convened at 1:00 p.m. and was called to order by Dee Long, Speaker of the House.

Prayer was offered by Pastor Lowell Dallmen, Zion Lutheran Church, Anoka, Minnesota.

The roll was called and the following members were present:

Abrams	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, I.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R.	Girard	Krambeer	Omann	Sparby
Anderson, R. H.	Goodno	Krinkie	Onnen	Stanius
Battaglia	Greenfield	Krueger	Orenstein	Steensma
Bauerly	Gutknecht	Lasley	Orfield	Sviggum
Beard	Hanson	Leppik	Osthoff	Swenson
Begich	Hartle	Lieder	Ostrom	Thompson
Bertram	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vellenga
Carlson	Hugoson	McEachern	Reding	Wagenius
Carruthers	Jacobs	McGuire	Rest	Waltman
Clark	Janezich	McPherson	Rice	Weaver
Cooper	Jaros	Milbert	Rodosovich	Wejcman
Dauner	Jefferson	Morrison	Rukavina	Welker
Davids	Jennings	Munger	Runbeck	Welle
Dawkins	Johnson, A.	Murphy	Sarna	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schafer	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Long
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	
Frederick	Kinkel	Olsen, S.	Skoglund	

A quorum was present.

Bettermann, Gruenes and Vanasek were excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Frederick moved that further reading of the Journals be

dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 1693 and H. F. No. 2488, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wenzel moved that the rules be so far suspended that S. F. No. 1693 be substituted for H. F. No. 2488 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2191, A bill for an act relating to metropolitan government; authorizing the acquisition and betterment of transit facilities and equipment and providing financing for their cost; amending Minnesota Statutes 1990, section 473.39.

Reported the same back with the following amendments:

Page 3, line 8, delete "$116,500,000" and insert "$62,000,000"

Page 3, line 9, delete "$87,400,000" and insert "$44,000,000"

Page 3, line 10, delete "$29,100,000" and insert "$18,000,000"

Page 3, line 17, delete "$63,000,000" and insert "and $30,000,000" and delete everything after "1995"

Page 3, line 18, delete everything before the period

Page 3, after line 27, insert:

"Sec. 2. [REPORT.]

By February 1, 1994, the metropolitan transit commission shall submit a report to the legislature analyzing whether ridership in areas served by the commission has increased as a result of implementing customer-oriented policies."

Page 3, line 28, delete "2" and insert "3"

Amend the title as follows:

Page 1, line 4, after the semicolon insert "stating the intent of the legislature; requiring a report;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2219, A bill for an act relating to transportation; providing tax and other incentives for the use of alternative means of commuting; directing the regional transit board to establish a program to reduce traffic congestion; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 161.1231, subdivisions 1 and 2; 169.01, by adding a subdivision; 216C.15, subdivision 1; and 290.01, subdivision 19b, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 169.346, subdivision 1; and 290.01, subdivision 19d; proposing coding for new law in Minnesota Statutes, chapters 169; 290; and 473.

Reported the same back with the following amendments:

Page 3, line 1, after the period insert "A small child who is an occupant of a vehicle is deemed to be visible from 50 feet."

Pages 3 to 8, delete sections 5, 6, 7, and 8

Page 8, lines 25 and 26, delete "9 to 12" and insert "5 to 8"

Page 9, line 1, delete "11" and insert "7"

Page 9, line 4, delete "10" and insert "6"

Page 10, line 19, delete "10" and insert "6"

Page 11, lines 30, 32, 35, and 36, delete "10" and insert "6"

Page 12, line 15, delete "9 to 13" and insert "5 to 9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "tax and other"

Page 1, line 6, delete "right turns in front of buses" and insert "persons from parking in certain areas used as transit bus stops"

Page 1, line 12, after the first semicolon insert "and" and delete "and 290.01,"

Page 1, delete line 13

Page 1, line 14, delete "sections" and insert "section"

Page 1, line 15, delete "and 290.01, subdivision 19d;"

Page 1, line 17, delete "290;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 2605, A bill for an act proposing an amendment to the Minnesota Constitution, article XIV; dedicating and allocating motor vehicle excise tax proceeds to highway and transit purposes; creating Minnesota mobility trust fund and surface transportation fund; increasing gasoline tax; making technical changes; amending Minnesota Statutes 1990, sections 174.32; and 296.02, subdivision 1b; Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 174; and 297B; repealing Minnesota Statutes 1991 Supplement, sections 161.041; and 297B.09.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 174.32, is amended to read:

174.32 [TRANSIT ASSISTANCE PROGRAM.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A transit assistance program ~~is~~ and transit assistance fund are established to provide transit assistance within the state ~~from the fund created in subdivision~~ 2 to eligible recipients for transit service activities as provided in this section.

~~Subd. 2. [TRANSIT ASSISTANCE FUND; DISTRIBUTION.] (a) The transit assistance fund receives money distributed under section 297B.09. Eighty percent of the receipts of the fund must be placed into a metropolitan account for distribution to recipients located in the metropolitan area and 20 percent into a separate account for distribution to recipients located outside of the metropolitan area. Except as otherwise provided in this subdivision, the regional transit board created by section 473.373 is responsible for distributing assistance from the metropolitan account, and the commissioner is responsible for distributing assistance from the other account. Money placed in the metropolitan account is available for distribution to regional railroad authorities established under chapter 398A in the metropolitan area, by the commissioner of transportation as provided in paragraph (b).~~

~~(b) The commissioner shall request applications from all eligible regional railroad authorities. The commissioner shall establish a reasonable deadline for submittal of applications. The commissioner may not distribute more than 60 percent of the available funds to a single recipient. Before distributing money to any regional railroad authority, the commissioner shall submit the applications to the regional transit board for approval. The commissioner may distribute funds only with the approval of the board. Before approving any application for funds for construction, the board shall report to the legislature on the use and planned distribution of construction funds.~~

Subd. 3. [ELIGIBLE RECIPIENTS.] A legislatively established public transit commission; a public authority organized and existing under chapter 398A; a county or statutory or home rule charter city operating, intending to operate, or providing financial assistance to a transit service~~; a rail authority;~~ or a private operator of public transit is eligible for assistance under the program. The National Railroad Passenger Corporation, known as Amtrak, and any ~~trolley system outside the metropolitan area~~ rail transit system are not eligible for assistance under the program.

Subd. 4. [ELIGIBLE SERVICES.] Transit services eligible for assistance under the program include but are not limited to:

(1) public transit;

(2) ~~light rail transit;~~

~~(3)~~ commuter van, car pool, ride share, and park and ride; and

~~(4)~~ (3) other services that further the purposes of section 174.21.

Subd. 5. [ELIGIBLE ACTIVITIES.] Activities eligible for assistance under the program include but are not limited to:

(1) planning and engineering design for transit services;

(2) capital assistance to purchase or refurbish transit vehicles~~, purchase rail lines and associated facilities for light rail transit, purchase rights-of-way,~~ and other capital expenditures necessary to provide a transit service; and

(3) other assistance for public transit services.

Subd. 6. [INVESTMENT OF TRANSIT ASSISTANCE FUND.] For money deposited in the transit assistance fund on or after January 15, 1985, the commissioner of transportation shall certify to the state board of investment the amount of the transit assistance fund that in the judgment of the commissioner is not required for immediate use. The certified amount of the transit assistance fund not currently needed shall be invested by the state board of investment subject to section 11A.25. All investment income and all investment losses attributable to the investments must be credited to the transit assistance fund. The commissioner of finance is the custodian of securities purchased under this section.

Sec. 2. Minnesota Statutes 1990, section 296.01, is amended by adding a subdivision to read:

Subd. 26. [EXCISE TAX.] "Excise tax" refers to the taxes imposed under sections 296.02 and 296.025.

Sec. 3. Minnesota Statutes 1990, section 296.01, is amended by adding a subdivision to read:

Subd. 27. [SALES TAX.] "Sales tax" means a tax imposed under section 296.015.

Sec. 4. [296.015] [WHOLESALE SALES TAX.]

Subdivision 1. [TAX IMPOSED.] A sales tax is imposed on gasoline at the rate determined under subdivision 4.

Subd. 2. [TAX; WHEN IMPOSED.] The sales tax on gasoline under subdivision 1 is imposed at the time of the first sale of gasoline by a distributor to another person.

Subd. 3. [EXEMPT SALES.] The taxes imposed under subdivision 1 do not apply to sales of gasoline:

(1) for export from the state, other than export in the supply tank of a motor vehicle or aircraft;

(2) to the United States government;

(3) for storage in an on-farm bulk storage tank; or

(4) sold as aviation gasoline or as substitutes for aviation gasoline.

Subd. 4. [CALCULATION OF TAX RATE.] (a) The commissioner shall determine on May 31 and November 30 of each year the average price per gallon at which gasoline is sold by distributors throughout the state for the months of May and November of each year. The commissioner shall determine the price on the basis of (1) information furnished the commissioner by distributors under subdivision 5, or (2) other information available through independent statistical surveys of distributor prices for gasoline and special fuel. In determining average prices for gasoline under this subdivision, the commissioner shall deduct the tax imposed under section 296.02, subdivision 1, and any tax imposed on gasoline on a per-gallon basis by the United States.

(b) The commissioner shall determine the rate of the tax imposed under subdivision 1 by multiplying the average selling price of gasoline by 2.6 percent and converting the product into a rate of cents per gallon. In determining the tax rate, the commissioner shall round off the tax to the nearest one-tenth of a cent. The commissioner shall notify all licensed distributors of gasoline and special fuel by June 10 and December 10 of each year of the tax rate as determined under this paragraph. A tax rate determined under this paragraph becomes effective the first day of the month following the month in which it is communicated to distributors and remains effective for that month and the next five months.

Subd. 5. [DISTRIBUTOR RECORDS.] A distributor shall keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices, of gasoline received and of all sales of gasoline made, except sales to the ultimate consumer. These records must show the names and addresses of buyers, the inventory of special fuel on hand at the close of each period for which a return is required, and other pertinent papers and documents relating to the purchase, sale, or disposition of gasoline and special fuel. When a licensed distributor sells gasoline and special fuel exclusively to the ultimate consumer at the address given in the license, no invoice of those sales is required, but itemized invoices must be made of gasoline and special fuel transferred to other retail outlets owned or controlled by the distributor. Books, records, and other papers and documents required by this

chapter, or by rule of the commissioner to be kept, must be preserved for a period of at least one year after the date of the transactions giving rise to the documents or the date of the entries on the transactions appearing in the records, unless the commissioner, in writing, authorizes their destruction or disposal at an earlier date. At any time during usual business hours, the commissioner or duly authorized agents or employees may enter a place of business of a distributor, without a search warrant, and inspect the premises, the records required to be kept, and the gasoline, to determine whether or not this section is being fully complied with. If the commissioner, agent, or employee of the commissioner is denied free access or is hindered or interfered with in making an examination, the license of the distributor at the premises is subject to revocation by the commissioner.

Subd. 6. [DISTRIBUTOR TO PRESERVE INVOICES.] A person who sells gasoline to persons other than the ultimate consumer shall render with each sale itemized invoices showing the seller's name and address, purchaser's name and address, date of sale, and prices and discounts. The person shall preserve legible copies of the invoices for one year from the date of sale.

Subd. 7. [RETAILER TO PRESERVE PURCHASE INVOICES.] A retailer shall procure itemized invoices of gasoline bought. The invoices must show the name and address of the seller and the date of purchase. The retailer shall preserve a legible copy of each invoice for one year from the date of purchase. Invoices must be available for inspection by the commissioner, authorized agents, or employees at the retailer's place of business.

Subd. 8. [MONTHLY RETURN FILED WITH COMMISSIONER.] On or before the 25th day of each calendar month, a distributor with a place of business in this state shall file a return with the commissioner showing the quantity and sale price of gasoline received or bought during the preceding calendar month and the quantity and sale price of gasoline sold or otherwise disposed of in this state and outside this state during that month. Every licensed distributor outside this state shall, in like manner, file a return showing the quantity and sale price of gasoline shipped or transported into this state during the preceding calendar month. Returns must be made upon forms furnished and prescribed by the commissioner and contain other information that the commissioner may require. The return must be accompanied by a remittance for the full liability for the taxes imposed under this section.

Subd. 9. [COMMISSIONER TO EXAMINE AND CORRECT RETURN; COLLECTION OF DEFICIENCY.] As soon as practicable after a return is filed, the commissioner shall examine the return and correct it if necessary according to the commissioner's best judgment and information. The return, together with the commissioner's corrections, if any, is prima facie correct and is prima facie

evidence of the correctness of the amount of tax due as shown. Proof of correction by the commissioner may be made at a hearing before the commissioner or in a legal proceeding by submitting a copy of pertinent record of the commissioner under the certificate of the custodian of the original official record. This certified copy, without further proof, must be admitted into evidence before the commissioner or in a legal proceeding and is prima facie proof of the correctness of the amount of tax due as shown. The commissioner, on finding that an amount of tax due is from the distributor and unpaid, shall notify the distributor of the deficiency, stating an intention to assess the amount due together with interest and penalties as provided in section 296.15. If a deficiency disclosed by the commissioner's examination cannot be allocated to a particular month or months, the commissioner shall notify the distributor of the deficiency stating an intention to assess the amount due for a given period without allocating it to a particular month or months, together with the penalty provided in the case of other corrected returns. If a distributor making a return dies or becomes incompetent before the commissioner issues the notice of intention to assess an amount due, that notice must be issued to the administrator, executor, or other legal representative of the distributor.

Subd. 10. [DISTRIBUTOR MAY PROTEST; HEARING.] If, within 20 days after mailing of notice of the proposed assessment, the distributor or a legal representative files a protest to the proposed assessment and requests a hearing, the commissioner shall notify the distributor or legal representative of the time and place fixed for the hearing, shall hold a hearing, and shall issue a final assessment to the distributor or legal representative for the amount found to be due as a result of the hearing. The hearing must be held within 45 days after the protest is filed. If a protest is not filed within the time prescribed, the commissioner shall issue a final assessment to the distributor or legal representative. Tax due and owing after a final assessment order has been issued to the distributor or legal representative must be paid within 60 days.

Subd. 11. [MONTHLY TAX PAYMENTS; PENALTY.] The sales tax is due and payable not later than the 25th day of the month following the calendar month in which it was incurred, and after that time bears interest at the rate specified in section 296.15, subdivision 1. The commissioner may extend the time for paying the tax without penalty for good cause shown.

Subd. 12. [RECOVERY BY COMMISSIONER.] The commissioner may recover the tax due and unpaid, the interest, and any penalty under the procedures of section 296.15.

Subd. 13. [REVENUE DISPOSITION.] Revenues derived from sales taxes, penalties, and interest under this section must be deposited by the commissioner in the state treasury and credited as follows: four-tenths of one percent must be credited to the general

fund, 59.8 percent must be credited to the transit assistance fund, and 39.8 percent must be credited to the trunk highway fund.

Sec. 5. Minnesota Statutes 1990, section 296.02, subdivision 1b, is amended to read:

Subd. 1b. [RATES IMPOSED.] The gasoline excise tax is imposed at the ~~following~~ rate:

~~For the period on and after May 1, 1988, gasoline is taxed at the rate~~ of ~~20~~ 22 cents per gallon.

Sec. 6. Minnesota Statutes 1990, section 296.025, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED FOR MOTOR VEHICLE USE.] There is hereby imposed an excise tax of the same rate per gallon as the gasoline excise tax on all special fuel at the rate of 23.6 cents per gallon. This tax shall be payable at the time, in the manner and by persons specified in this chapter.

Sec. 7. Minnesota Statutes 1990, section 296.14, subdivision 3, is amended to read:

Subd. 3. [REFUND TO DEALER; DESTRUCTION BY ACCIDENT.] Notwithstanding ~~the provisions of~~ subdivision 2, the commissioner shall allow a dealer a refund of the ~~tax~~ sales and excise taxes paid on gasoline or special fuel destroyed by accident while in the possession of the dealer.

Sec. 8. Minnesota Statutes 1990, section 296.14, subdivision 4, is amended to read:

Subd. 4. [PAYMENT AND TRANSFER OF TAX ON GASOLINE SOLD FOR STORAGE IN ON-FARM BULK STORAGE AND ETHYL ALCOHOL FOR PERSONAL USE.] Notwithstanding ~~the provisions of~~ this section, the producer of ethyl alcohol which is produced for personal use and not for sale in the usual course of business and a farmer who uses gasoline on which a ~~tax has~~ sales or excise taxes, or both, have not been paid shall report and pay the tax or taxes on all ethyl alcohol or gasoline delivered into the supply tank of a licensed motor vehicle during the preceding calendar year. The tax or taxes shall be reported and paid together with any refund claim filed by the taxpayer under section 296.18. If no refund claim is filed, the tax or taxes shall be reported and paid annually by March 15 or more frequently, as the commissioner may prescribe. Any producer, qualifying under this subdivision, shall be exempt from the licensing requirements contained in section 296.06, subdivision 1.

Sec. 9. Minnesota Statutes 1990, section 296.15, subdivision 1, is amended to read:

Subdivision 1. [PENALTY, INTEREST.] (a) In case a properly licensed distributor, special fuel dealer, bulk purchaser or motor carrier does not pay any tax or inspection fee under this chapter when due, a penalty of one percent per day for the first ten days of delinquency shall accrue, and thereafter the tax, fees and penalty shall bear interest at the rate specified in section 270.75.

(b) If any person operates as a distributor, special fuel dealer, bulk purchaser or motor carrier without first securing the license required under this chapter, any tax or inspection fee imposed by this chapter shall become immediately due and payable. A penalty of 25 percent shall be imposed upon the tax and fee due thereon. The tax, fees and penalty shall bear interest at the rate specified in section 270.75.

Sec. 10. Minnesota Statutes 1990, section 296.15, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO PAY TAXES; PROCEEDINGS.] Upon the failure of any person to pay any tax or inspection fees within the time provided by sections 296.01 to 296.421, all taxes and inspection fees imposed by this chapter shall become immediately due and payable, whether or not the person has previously reported the tax and inspection fees to the commissioner, and after the default in payment the commissioner may deliver to the attorney general a certified statement of the amount due from each person hereunder whose ~~excise~~ tax and inspection fees are delinquent. The statement shall give the address of the person owing such tax and inspection fees, the month for which the tax and inspection fees are due, the date of the delinquency, and such other information as may be required by the attorney general. It shall be the duty of the attorney general, upon receipt of the statement, to bring an action in the district court of Ramsey county, or of the county in which the delinquent taxpayer resides, to recover the amount of such tax and inspection fees, with penalty, interest and costs and disbursements, and the action may be tried in the county in which it is brought. The judgment of the court when so obtained shall draw interest at the rate specified in section 270.75 and shall be enforceable in the manner provided by law for the enforcement of judgments obtained in civil actions.

Sec. 11. Minnesota Statutes 1990, section 296.15, subdivision 6, is amended to read:

Subd. 6. [LIMITATION OF ACTIONS.] No action shall be brought for the collection of delinquent ~~excise~~ taxes and inspection fees under the provisions of this chapter unless commenced within five years after the date of assessment of the taxes and fees. In the case

of a false or fraudulent report with intent to evade tax or inspection fee or of a failure to file a report, the taxes or fees may be assessed at any time, and a proceeding in court for their collection must be begun within five years after the assessment.

The period of time during which a tax or fee must be assessed under this chapter or collection proceedings commenced under this subdivision is suspended during the period from the date of filing of a petition in bankruptcy until 30 days after the commissioner of revenue receives notice that the bankruptcy proceedings have been closed or dismissed or the automatic stay has been terminated or has expired.

The suspension of the statute of limitations under this subdivision applies to the person against whom the petition in bankruptcy is filed and all other persons who may also be wholly or partially liable for the tax under this chapter.

Sec. 12. Minnesota Statutes 1990, section 296.16, subdivision 1, is amended to read:

Subdivision 1. [INTENT.] All gasoline received in this state and all gasoline produced in or brought into this state except aviation gasoline and marine gasoline shall be determined to be intended for use in motor vehicles in this state.

Approximately 1-1/2 percent of all gasoline received in this state and 1-1/2 percent of all gasoline produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of motorboats on the waters of this state and of the total revenue derived from the imposition of the gasoline fuel ~~tax~~ excise taxes for uses other than for aviation purposes, 1-1/2 percent of such revenues is the amount of ~~tax~~ excise taxes on fuel used in motorboats operated on the waters of this state.

Approximately three-fourths of one percent of all gasoline received in and produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of snowmobiles in this state, and of the total revenue derived from the imposition of the gasoline ~~fuel~~ excise tax for uses other than for aviation purposes, three-fourths of one percent of such revenues is the amount of ~~tax~~ excise taxes on fuel used in snowmobiles operated in this state.

Approximately 0.15 of one percent of all gasoline received in or produced or brought into this state, except gasoline used for aviation purposes, is being used for the operation of all-terrain vehicles in this state, and of the total revenue derived from the imposition of the gasoline ~~fuel~~ excise tax, 0.15 of one percent is the amount of excise tax on fuel used in all-terrain vehicles operated in this state.

Sec. 13. Minnesota Statutes 1991 Supplement, section 296.16, subdivision 1a, is amended to read:

Subd. 1a. [INTENT; FOREST ROADS.] Approximately 0.116 percent of the total annual unrefunded revenue from the gasoline ~~fuel~~ excise tax on all gasoline and special fuel received in, produced, or brought into this state, except gasoline and special fuel used for aviation purposes, is derived from the operation of motor vehicles on state forest roads and county forest access roads. Of this amount, 0.0605 percent is annually derived from motor vehicles operated on state forest roads and 0.0555 percent is annually derived from motor vehicles operated on county forest access roads in this state.

Sec. 14. Minnesota Statutes 1990, section 296.17, subdivision 1, is amended to read:

Subdivision 1. [UNREPORTED GASOLINE AND SPECIAL FUEL.] It shall be the duty of every distributor, dealer, and person who sells or uses gasoline manufactured, produced, received, or stored by the distributor, dealer, or person, and of every person using gasoline in motor vehicles or special fuel in licensed motor vehicles, if the same has not been reported or if the tax on account thereof has not been paid to the commissioner, to report to the commissioner the quantity of such gasoline so sold or used or such special fuel used, and such person shall become liable for the payment of the tax. All provisions of sections 296.01 to 296.421 relating to the calculation, collection and payment of the tax shall be applicable to any such person, dealer or distributor. For purposes of this section, "tax" includes sales and excise taxes.

Sec. 15. Minnesota Statutes 1990, section 296.17, subdivision 3, is amended to read:

Subd. 3. [REFUNDS ON GASOLINE AND SPECIAL FUEL USED IN OTHER STATES.] Every person regularly or habitually operating motor vehicles upon the public highways of any other state or states and using in said motor vehicles gasoline or special fuel purchased or obtained in this state, shall be allowed a credit or refund equal to the sales and excise tax on said gasoline or special fuel paid to this state on the gasoline or special fuel actually used in the other state or states. No credit or refund shall be allowed under this subdivision for taxes paid to any state which imposes a sales or excise tax upon gasoline or special fuel purchased or obtained in this state and used on the highways of such other state, and which does not allow a similar credit or refund for the sales or excise tax paid to this state on gasoline or special fuel purchased or acquired in such other state and used on the highways of this state. Every person claiming a credit or refund under this subdivision shall file a claim on a form prescribed by the commissioner or take the credit on a subsequent tax return within one year of the last day of the month following the end of the quarter when the overpayment occurred.

Sec. 16. Minnesota Statutes 1990, section 296.17, subdivision 6, is amended to read:

Subd. 6. [RECIPROCAL AGREEMENTS.] The commissioner of public safety or the commissioner of revenue may enter into reciprocal agreements with the appropriate officials of any other state under which either commissioner may waive all or any part of the requirements imposed by this section relating to sales or excise taxes upon those who use in Minnesota gasoline or other motor vehicle fuel upon which the sales or excise tax has been paid to such other state, provided that the officials of such other state grant equivalent privileges with respect to gasoline or other motor vehicle fuel used in such other state but upon which the tax has been paid to Minnesota.

The commissioner of public safety or the commissioner of revenue may enter into reciprocal agreements with the appropriate officials of other states, exempting vehicles licensed in such other states from the license and use tax provisions contained in this section, which otherwise would apply to vehicles licensed by such other state, provided that such other state grant equivalent privileges with respect to vehicles licensed by Minnesota.

Sec. 17. Minnesota Statutes 1990, section 296.17, subdivision 8, is amended to read:

Subd. 8. [ROAD TAX IMPOSED.] (a) Every motor carrier shall pay a road tax calculated on the amount of motor fuel consumed in the motor carrier's operations on highways within this state. The tax shall be at the same rate as the sales and excise tax applicable to the purchase of the same motor fuel within this state.

(b) The amount of motor fuel consumed in the operations of any motor carrier on highways within this state shall be determined by dividing the miles traveled within Minnesota by the average miles per gallon. The average miles per gallon shall be determined by dividing the miles traveled within and without Minnesota by the total motor fuel consumed within and without Minnesota.

Sec. 18. Minnesota Statutes 1990, section 296.17, subdivision 14, is amended to read:

Subd. 14. [KEEPING AND PRESERVATION OF RECORDS.] (a) Every motor carrier shall keep such records as may be necessary for the administration of subdivisions 7 to 22 and for the reporting and justification of the amount of tax liability pursuant hereto. Such records shall be kept in such form as the commissioner reasonably may prescribe. All such records shall be safely preserved for a period of three years in such manner as to insure their security and availability for inspection by the commissioner. Upon application in writing stating the reasons therefor, the commissioner may consent

to the destruction of such records at an earlier time if the commissioner has completed an audit of the records in question.

(b) The commissioner or authorized agents or representatives shall have the right at any reasonable time to inspect the books and records of any motor carrier subject to the ~~tax~~ sales and excise taxes imposed by this chapter.

Sec. 19. Minnesota Statutes 1990, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE OR SPECIAL FUEL USED IN OTHER THAN MOTOR VEHICLES.] Any person who shall buy and use gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles, or motorboats, or special fuel for a qualifying purpose other than use in licensed motor vehicles, and who shall have paid the Minnesota excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount of the tax paid upon filing with the commissioner a signed claim in writing in the form and containing the information the commissioner shall require and accompanied by the original invoice thereof. By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this section for knowingly making a false claim. The claim shall set forth the total amount of the gasoline so purchased and used by the applicant other than in motor vehicles, or special fuel so purchased and used by the applicant other than in licensed motor vehicles, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to the payments, shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which the claim is mailed shall determine the date of filing. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft. For purposes of this section, "tax" includes sales and excise taxes. Gasoline or special fuel bought and used for a "qualifying purpose" means:

(1) Gasoline or special fuel used in carrying on a trade or business, used on a farm situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose" have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue Code of 1986, as amended through December 31, 1988.

(2) Gasoline or special fuel used for off-highway business use. "Off-highway business use" means any use by a person in that

person's trade, business, or activity for the production of income. "Off-highway business use" does not include use as a fuel in a motor vehicle which, at the time of use, is registered or is required to be registered for highway use under the laws of any state or foreign country.

(3) Gasoline or special fuel placed in the fuel tanks of new motor vehicles, manufactured in Minnesota, and shipped by interstate carrier to destinations in other states or foreign countries.

Sec. 20. Minnesota Statutes 1990, section 296.20, is amended to read:

296.20 [GASOLINE TAXES IN LIEU OF OTHER TAXES.]

Gasoline sales and excise taxes shall be in lieu of all other taxes imposed upon the business of selling or dealing in gasoline, whether imposed by the state or by any of its political subdivisions, but shall be in addition to all ad valorem taxes now imposed by law. Nothing in sections 296.01 to 296.421 shall be construed as prohibiting the governing body of any city of this state from licensing and regulating such business wherever authority therefor is, or may hereafter be, conferred by state law or city charter.

Sec. 21. Minnesota Statutes 1990, section 296.23, is amended to read:

296.23 [CERTAIN BLENDING OF GASOLINE PROHIBITED.]

The blending of gasoline on which the sales or excise tax has been paid or the liability accrued, with any substance on which the sales or excise tax has not been paid or the liability thereafter accrued, is prohibited.

This section does not preclude the addition of any of the various inhibitors which in total do not exceed one-half of one percent by volume of the product treated, nor the addition to fuel for two-cycle gasoline engines of a lubricant not exceeding five percent by volume of the product treated; nor does this section preclude the addition of fuel oil to gasoline for the purpose of generating power for the propulsion of farm tractors.

Sec. 22. Minnesota Statutes 1990, section 296.421, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTION OF UNREFUNDED TAX FOR MOTOR BOAT PURPOSES.] The amount of unrefunded ~~tax~~ excise taxes paid on gasoline used for motor boat purposes as computed in subdivision 5 shall be paid into the state treasury and credited to a water recreation account in the special revenue fund for acquisition,

development, maintenance, and rehabilitation of sites for public access and boating facilities on public waters; lake and river improvement; state park development; and boat and water safety.

Sec. 23. Minnesota Statutes 1990, section 296.421, subdivision 5, is amended to read:

Subd. 5. [COMPUTATION OF UNREFUNDED TAX.] The amount of unrefunded ~~tax~~ excise taxes shall be a sum equal to 1-1/2 percent of all revenues derived from the sales and excise taxes on gasoline, except on gasoline used for aviation purposes, together with interest thereon and penalties for delinquency in payment, paid or collected pursuant to the provisions of sections 296.02 to 296.17. The amount of such ~~tax~~ taxes shall be computed for each six-month period commencing January 1, 1961, and shall be paid into the state treasury on November 1 and June 1 following each six-month period.

Sec. 24. Minnesota Statutes 1991 Supplement, section 296.421, subdivision 8, is amended to read:

Subd. 8. [COMPUTATION AND DISTRIBUTION OF UNREFUNDED TAXES FOR FOREST ROADS.] The amount of unrefunded ~~tax~~ excise taxes paid on gasoline and special fuel used to operate motor vehicles on forest roads, except gasoline and special fuel used for aviation purposes, is 0.116 percent of the total unrefunded revenue from the excise tax on all gasoline and special fuel received in, produced, or brought into the state, and this revenue is appropriated from the highway user tax distribution fund and must be transferred and credited in equal installments on July 1 and January 1 to the state forest road account established in section 89.70. An amount equal to 0.0555 percent of the unrefunded revenue must be annually transferred to counties for management and maintenance of county forest roads.

Sec. 25. [APPROPRIATION.]

Subdivision 1. [TRUNK HIGHWAY FUND.] $..... is appropriated to the commissioner of transportation from the trunk highway fund for fiscal year 1993. Of this amount:

(1) $..... is for trunk highway development; and

(2) $..... is for construction support.

Subd. 2. [COUNTY STATE-AID HIGHWAY FUND.] $..... is appropriated to the commissioner of transportation from the county state-aid highway fund for fiscal year 1993 for county state-aid highways.

Subd. 3. [MUNICIPAL STATE-AID STREET FUND.] $..... is appropriated to the commissioner of transportation from the municipal state-aid street fund for fiscal year 1993 for municipal state-aid streets.

Subd. 4. [TRANSIT ASSISTANCE FUND; STATEWIDE TRANSIT.] $..... is appropriated to the commissioner of transportation from the transit assistance fund for fiscal year 1993 for the purposes of Minnesota Statutes, section 174.24. Of this appropriation:

(1) $..... is for assistance to systems that are receiving assistance from the commissioner under that section on the effective date of this section; and

(2) $..... is for assistance to other public transit systems located outside the metropolitan area. The commissioner shall prepare a plan for spending this appropriation and subsequent appropriations from the transit assistance fund to insure that by December 31, 1995, each county in the state will receive service from a public transit system. The commissioner shall report on the plan to the chairs of the house of representatives and senate committees on transportation by March 1, 1993.

Subd. 5. [TRANSIT ASSISTANCE FUND; METROPOLITAN TRANSIT.] $..... is appropriated from the transit assistance fund to the regional transit board for fiscal year 1993 for transit assistance in the metropolitan area.

Subd. 6. [TRANSIT ASSISTANCE FUND; ADMINISTRATION.] $..... is appropriated to the commissioner of revenue from the general fund for administration of Minnesota Statutes, section 296.015. The complement of the department of revenue is increased by ... positions.

Sec. 26. [EFFECTIVE DATE.]

Sections 2 to 4 and 7 to 24 are effective September 1, 1992. Section 5 is effective June 1, 1992, and applies to gasoline in distributor storage on that date. Section 6 is effective June 1, 1992. Sections 1 and 25 are effective July 1, 1992."

Delete the title and insert:

"A bill for an act relating to transportation; specifying purposes of the transit assistance fund; imposing a wholesale sales tax on gasoline and providing for calculation of its rate; providing for deposit of revenues from the tax; increasing rates of excise tax on gasoline and special fuel; appropriating money; amending Minnesota Statutes 1990, sections 174.32; 296.01, by adding subdivisions; 296.02, subdivision 1b; 296.025, subdivision 1; 296.14, subdivisions

3 and 4; 296.15, subdivisions 1, 2, and 6; 296.16, subdivision 1; 296.17, subdivisions 1, 3, 6, 8, and 14; 296.18, subdivision 1; 296.20; 296.23; and 296.421, subdivisions 4 and 5; Minnesota Statutes 1991 Supplement, sections 296.16, subdivision 1a; and 296.421, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 296."

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2694, A bill for an act relating to health; appropriating money to the commissioner of health to review proposals from occupations and professions seeking to be licensed or regulated.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

HIGHER EDUCATION

Section 1. [HIGHER EDUCATION APPROPRIATIONS]

The dollar amounts in the columns under "APPROPRIATIONS" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 1991, chapter 356, or other law to the specified agencies. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figure 1992 or 1993 means that the addition to or subtraction from the appropriations listed under the figure are for the fiscal year ending June 30, 1992, or June 30, 1993, respectively. If only one figure is shown in the text for a specified purpose, the addition or subtraction is for 1993 unless the context intends another fiscal year.

SUMMARY BY FUND

	1992	1993	TOTAL
General	($55,000)	($32,645,000)	($32,700,000)

SUMMARY BY AGENCY – ALL FUNDS

	1992	1993	TOTAL
Higher Education Coordinating Board	(70,000)		(70,000)
State Board for Technical Colleges		(6,455,000)	(6,455,000)
State Board for Community Colleges		(3,908,000)	(3,908,000)
State University Board	15,000	(4,750,000)	(4,735,000)
Board of Regents of the University of Minnesota		(17,532,000)	(17,532,000)

	APPROPRIATIONS Available for the Year Ending June 30	
	1992	1993
	$	$

Sec. 2. HIGHER EDUCATION CO-ORDINATING BOARD

Subdivision 1. Total Appropriation Changes (70,000)

This reduction is the transfer of an unexpended balance from the higher education coordinating board's special revenue account to the general fund.

Subd. 2. Agency Administration

Money and positions for the regulation of private proprietary schools under Minnesota Statutes, chapter 141, are transferred from the department of education to the higher education coordinating board under Minnesota Statutes, section 15.039. An additional .5 complement is added to the agency

	1992	1993
	$	$
for the same purpose and must be funded through internal reallocation.		
Subd. 3. State Grants		
The legislature intends that the HECB make full grant awards in fiscal year 1993. The board may request the necessary appropriation in the 1993 legislative session if the fiscal year 1993 appropriation is insufficient to make full awards.		
To provide continuity in student financial aid, students enrolled for six or seven credits during the 1992-1993 academic year shall be eligible to apply for state grants under Minnesota Statutes, section 136A.121.		
Sec. 3. STATE BOARD OF TECHNICAL COLLEGES		
Subdivision 1. Total Appropriation Changes		(6,455,000)
Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES		
Subdivision 1. Total Appropriation Changes		(3,908,000)
Subd. 2. Worthington Community College		
The appropriation in Laws 1990, chapter 610, article 1, section 3, subdivision 12, to renovate and construct space at Worthington community college, may be used to construct a new learning resource center.		
Sec. 5. STATE UNIVERSITY BOARD		
Subdivision 1. Total Appropriation Changes	15,000	(4,750,000)

	1992	1993
	$	$
Subd. 2. General Reduction		
	(7,085,000)	
Subd. 3. Kummer Landfill		
	2,335,000	

This appropriation is to assist in the cleanup of the Kummer sanitary landfill in Bemidji, Minnesota. In making this appropriation neither the state, the state university board, nor the legislature admits the state university board's liability for the release of hazardous substances, pollutants, or contaminants from this site. This appropriation is not an admission of liability for the cleanup costs associated with this site and may not be construed as an admission of liability. This appropriation is made solely for purposes of settling all claims the United States Environmental Protection Agency or the Pollution Control Agency might make against the state university board.

Subd. 4. Future Funding Task Force	
15,000	

This appropriation, in fiscal year 1992, is for expenses associated with the task force on post-secondary funding.

Subd. 5. Bemidji State University

The state university board may demolish and replace the Anishinabe Center on the Bemidji State University campus. The demolition and replacement must be carried out with Bemidji State University Foundation or other non-state money. The new center must be on state university land and must be state owned.

The Bemidji State University Foundation may provide money for the design

	1992	1993
	$	$
and construction of a bookstore on the Bemidji State University campus. The state board shall repay the principal and interest on the loan within five years. The interest must be at a rate not to exceed the rate the state would pay on its bonds if issued for the same purpose.		
Sec. 6. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA		
Subdivision 1. Total Appropriation Changes		(17,532,000)
Subd. 2. Instructional Expenditures		(10,199,000)
Subd. 3. Noninstructional Expenditures and Special Appropriations		(7,333,000)
Subd. 4. Continuing Education and Extension		
The board of regents is requested to reevaluate the distribution policy for its continuing education and extension bulletins to determine the costs, efficacy and effects of the policy and possible alternatives to mass distribution. The legislature intends that bulletins not be mailed to other systems' college dormitories or to areas where individuals are unlikely to enroll in continuing education and extension courses offered by the University.		
Sec. 7. POST-SECONDARY SYSTEMS		
Each post-secondary governing board shall work with its campuses to develop institutional missions that complement the system missions established in Minnesota Statutes, section 135A.052. The legislature intends that		

	1992	1993
	$	$
core programs and services be protected, to the extent possible, by directing budget reductions at areas peripheral to the system and institutional missions.		
When calculating the budget for the 1994-1995 biennium, a comparison shall be made between the reductions due to enrollment declines and those in this article. The calculation that yields the greater reduction shall be used for determining the base budget.		
Each governing board must apply budget reductions to central administration in at least the same proportion as they apply them to instructional expenditures.		

Sec. 8. Minnesota Statutes 1991 Supplement, section 121.936, subdivision 1, is amended to read:

Subdivision 1. [MANDATORY PARTICIPATION.] (a) Every district shall perform financial accounting and reporting operations on a financial management accounting and reporting system utilizing multidimensional accounts and records defined in accordance with the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.917.

(b) Every school district shall be affiliated with one and only one regional management information center. This affiliation shall include at least the following components:

(1) the center shall provide financial management accounting reports to the department of education for the district to the extent required by the data acquisition calendar;

(2) the district shall process every detailed financial transaction using, at the district's option, either the ESV-IS finance subsystem through the center or an alternative system approved by the state board.

Notwithstanding the foregoing, a district may process and submit its financial data to a region or the state in summary form if it operates an approved alternative system or participates in a state approved pilot test of an alternative system and is reporting directly

to the state as of January 1, 1987, or is a joint vocational technical district established under section 136C.60.

(c) The provisions of this subdivision shall not be construed to prohibit a district from purchasing services other than those described in clause (b) from a center other than the center with which it is affiliated pursuant to clause (b).

Districts operating an approved alternative system may transfer their affiliation from one regional management information center to another. At least one year prior to July 1 of the year in which the transfer is to occur, the district shall give written notice to its current region of affiliation of its intent to transfer to another region. The one year notice requirement may be waived if the two regions mutually agree to the transfer.

Sec. 9. Minnesota Statutes 1991 Supplement, section 135A.03, subdivision 1a, is amended to read:

Subd. 1a. [APPROPRIATIONS FOR CERTAIN ENROLLMENTS.] The state share of the cost of instruction shall be 32 percent for ~~the following categories:~~

~~(1)~~ enrollment in credit bearing courses at an off-campus site or center, except those courses at Cambridge and Fond du Lac centers; the Arrowhead and Rochester 2 + 2 programs; those offered through telecommunications; those offered by the technical colleges; and those offered as part of a joint degree program~~; and~~

~~(2) enrollment of students who are concurrently enrolled in a secondary school and for whom the institution is receiving any compensation under the post-secondary enrollment options act.~~

Sec. 10. Minnesota Statutes 1991 Supplement, section 135A.03, subdivision 3a, is amended to read:

Subd. 3a. [EXCLUSIONS FROM ENROLLMENT.] Student enrollment for the purposes of average cost funding shall not include:

(1) any undergraduate students who do not meet the residency criteria established under subdivision 7;

(2) enrollment in extension at the technical colleges; ~~and~~

(3) students enrolled in recreational or leisure-time activity courses, except for those students enrolled in a degree-granting program for whom the credits would apply toward a baccalaureate degree; and

(4) students enrolled under the post-secondary enrollment options act.

Sec. 11. Minnesota Statutes 1991 Supplement, section 135A.03, subdivision 7, is amended to read:

Subd. 7. [RESIDENCY RESTRICTIONS.] In calculating student enrollment for appropriations, only the following may be included:

(1) students who resided in the state for at least one calendar year prior to applying for admission;

(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere; ~~and~~

(3) residents of other states who are attending a Minnesota institution under a tuition reciprocity agreement.; and

(4) students who have been in Minnesota as migrant farmworkers, as defined in Code of Federal Regulations, title 20, section 633.104, over a period of at least two years immediately before admission or readmission to a Minnesota public post-secondary institution, or students who are dependents of such migrant farmworkers.

If a public post-secondary institution counts a student for appropriations under clause (4), it may only charge the student resident tuition rates.

Sec. 12. Minnesota Statutes 1991 Supplement, section 136A.121, subdivision 6, is amended to read:

Subd. 6. [COST OF ATTENDANCE.] (a) The cost of attendance consists of allowances specified by the board for room and board and miscellaneous expenses, and

(1) for public institutions, tuition and fees charged by the institution; or

(2) for private institutions, an allowance for tuition and fees equal to the lesser of the actual tuition and fees charged by the institution, or the instructional costs per full-year equivalent student in comparable public institutions.

(b) For the purpose of paragraph (a), clause (2), a private, two-year, residential, exclusively liberal arts degree-granting institution shall have its allowance for tuition and fees determined in the same manner as four-year private institutions.

(c) For ~~students~~ a student attending less than full time, the board shall prorate the cost of attendance to the actual number of credits for which the student is enrolled.

Sec. 13. Minnesota Statutes 1990, section 136A.121, is amended by adding a subdivision to read:

Subd. 18. [EXCLUSION OF CERTAIN AMOUNTS FROM ELIGIBILITY CALCULATIONS.] In determining student eligibility for a state grant, shares in the higher education savings incentive fund established in section 26 shall be excluded from determination of family assets, and the cash received upon redemption shall be excluded from income. Interest on United States savings bonds used to finance higher education shall also be excluded up to the amount excluded from federal income taxation.

Sec. 14. Minnesota Statutes 1991 Supplement, section 136A.1353, subdivision 4, is amended to read:

Subd. 4. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall distribute funds each year to the schools, colleges, or programs of nursing applying to participate in the nursing grant program based on the last academic year's enrollment of students in educational programs that would lead to licensure as a registered nurse. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested schools, colleges, or programs of nursing. Initial applications are due by ~~January 1, 1991, and by~~ January 1 of each ~~later~~ year. By ~~March 1, 1991, and by March 1~~ June 30 of each ~~later~~ year, the board shall notify each applicant school, college, or program of nursing of its approximate allocation of funds in order to allow the school, college, or program to determine the number of students that can be supported by the allocation. The board shall distribute funds to the schools, colleges, or programs of nursing by ~~August 1, 1991, and by~~ August 1 of each ~~later~~ year.

Sec. 15. Minnesota Statutes 1990, section 136A.1354, subdivision 4, is amended to read:

Subd. 4. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall distribute funds each year to the schools or colleges of nursing, or programs of advanced nursing education, applying to participate in the nursing grant program based on the last academic year's enrollment of registered nurses in schools or colleges of nursing, or programs of advanced nursing education. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested

schools or colleges of nursing, or programs of advanced nursing education. Initial applications are due by ~~January 1, 1991, and by~~ January 1 of each ~~later~~ year. By ~~March 1, 1991, and by March 1~~ June 30 of each ~~later~~ year, the board shall notify each applicant school or college of nursing, or program of advanced nursing education, of its approximate allocation of money to allow the school, college, or program to determine the number of students that can be supported by the allocation. The board shall distribute money to the schools or colleges of nursing, or programs of advanced nursing education, ~~by August 1, 1991, and~~ by August 1 of each ~~later~~ year.

Sec. 16. Minnesota Statutes 1990, section 136A.29, subdivision 9, is amended to read:

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~$250,000,000~~ $350,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Sec. 17. Minnesota Statutes 1990, section 136C.04, is amended by adding a subdivision to read:

Subd. 19a. [METHODS OF ACQUISITION.] If money has been appropriated to the technical colleges board to acquire lands or sites for public buildings or real estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under chapter 117.

Sec. 18. Minnesota Statutes 1990, section 136C.05, subdivision 5, is amended to read:

Subd. 5. [USE OF PROPERTY.] (a) A school board must not sell, lease, or assign technical college property for purposes other than technical college activities without the approval of the chancellor. ~~A school board need not obtain approval for uses that are incidental.~~

(b) Notwithstanding section 123.36, subdivision 13, proceeds from the sale, exchange, lease, or assignment of technical college land or buildings shall be used to repay any remaining debt service on the land or buildings. Subject to the approval of the chancellor, any remaining proceeds shall be placed in the post-secondary capital expenditure, repair and replacement, or construction fund.

(c) The proceeds of any arbitration or litigation resulting from claims involving technical college property shall be placed in the technical college repair and replacement fund.

Sec. 19. [136C.51] [WORKPLACE LITERACY RESOURCE CENTER; ESTABLISHMENT; PURPOSE.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A workplace literacy resource center and workplace literacy skills enhancement program is established through Northeast Metro Technical College, in partnership with the Minnesota Teamsters Service Bureau. The resource center must act as a clearinghouse for Minnesota and neighboring states or entities to provide information on workplace skills enhancement curricula, available services, and methods of delivery.

Subd. 2. [PILOT PROJECT.] The resource center established in subdivision 1, must establish a pilot project in conjunction with organizations whose clients need services of the workplace literacy program. The pilot project must serve a diverse cultural group on a metro-wide basis while establishing a model that can be duplicated elsewhere if the pilot project is proven to be successful.

The pilot project must have at least the following elements: (1) formal classroom workplace literacy training; (2) functional literacy training; (3) workplace skills enhancement; (4) prevocational training and upgrading; (5) assessment and evaluation; (6) career exploration; and (7) preapprenticeship counseling.

Sec. 20. [137.17] [CENTER FOR AMERICAN INDIAN LAW AND SOCIAL JUSTICE.]

The University of Minnesota is requested to establish a policy center for American Indian law and social justice on its Duluth campus. The policy center will have three primary objectives:

(1) policy analysis;

(2) research, data collection, information dissemination, and resource material acquisition; and

(3) archive and clearinghouse responsibilities.

In accomplishing its objectives, the policy center shall influence the direction of academic curriculum, advance University of Minnesota diversity goals, and solidify tribal-University partnerships. The policy center shall also research, analyze, and gather data on topics and issues of importance to Indian tribes and citizens of the state to ensure equitable social justice prevails.

Sec. 21. Minnesota Statutes 1990, section 141.21, is amended by adding a subdivision to read:

Subd. 1a. [BOARD.] "Board" means the higher education coordinating board.

Sec. 22. Minnesota Statutes 1991 Supplement, section 168.129, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The commissioner of public safety shall issue special collegiate license plates to an applicant who:

(1) is an owner or joint owner of a passenger automobile, pickup truck, or van;

(2) pays a fee determined by the commissioner to cover the costs of handling and manufacturing the plates;

(3) pays the registration tax required under section 168.12;

(4) pays the fees required under this chapter;

(5) contributes at least ~~$100~~ $25 annually to the scholarship account established in subdivision 6; and

(6) complies with laws and rules governing registration and licensing of vehicles and drivers.

Sec. 23. Minnesota Statutes 1991 Supplement, section 168.129, subdivision 2, is amended to read:

Subd. 2. [DESIGN.] After consultation with each participating college, university or post-secondary system, the commissioner shall design the special collegiate plates.

In consultation with the commissioner, a participating college or university annually shall indicate the anticipated number of plates needed. ~~Plates will be produced when the commissioner has received at least 200 applications.~~

Sec. 24. Minnesota Statutes 1990, section 169.965, is amended by adding a subdivision to read:

Subd. 8. [ALLOCATION OF FINES.] The fines collected shall be paid into the treasury of the University of Minnesota, except that the portion of the fines necessary to cover all costs and disbursements incurred in processing and prosecuting the violations in the court shall be transferred to the court administrator.

Sec. 25. Minnesota Statutes 1990, section 202A.19, subdivision 3, is amended to read:

Subd. 3. The University of Minnesota may not schedule an event ~~which~~ or class that will take place after 6:00 p.m. on the day of a major political party precinct caucus unless permission to do so has been received from the board of regents. No state university may schedule an event ~~which~~ or class that will take place after 6:00 p.m. on the day of a major political party precinct caucus unless permission to do so has been received from the state university board. No community college may schedule an event ~~which~~ or class that will take place after 6:00 p.m. on the day of a major political party precinct caucus unless permission to do so has been received from the state board for community colleges. No technical college may schedule an event or class that will take place after 6:00 p.m. on the day of a major political party precinct caucus unless permission to do so has been received from the state board of technical colleges.

Sec. 26. [290.163] [HIGHER EDUCATION SAVINGS PLAN.]

Subdivision 1. [POLICY.] The governor and legislature believe higher education is becoming more important to survival and success in an increasingly competitive and complex job market. Future jobs will require more education beyond the high school level. Given this, the earlier parents start saving for their children's education, the better prepared they will be to provide for their children's future. Providing information and opportunities to increase family saving for higher education is in the public interest.

Subd. 2. [OPTION FOR TAKING INCOME TAX AND PROPERTY TAX REFUNDS IN THE FORM OF UNITED STATES SAVINGS BONDS.] A taxpayer eligible for a refund on an original Minnesota individual income tax return filed by October 15 of the year the return is due or on an original and timely filed property tax refund return may elect to have some or all of the refund paid in the form of United States savings bonds. For purposes of this section a refund is the income tax refund, or property tax refund, after all reductions, offsets and recaptures authorized by law.

The commissioner, in consultation with the higher education coordinating board, shall include, in the individual income tax and property tax refund instruction booklets, information about the present and future costs of higher education, the importance of beginning early to save for these expenses, alternative strategies for saving, and a description of current federal law relating to the taxation of earnings on United States savings bonds used for financing higher education.

Subd. 3. [HIGHER EDUCATION SAVINGS INCENTIVE FUND.] (a) There is created in the state treasury a higher education savings incentive fund managed by the state board of investment. Assets of the fund may come from gifts from corporations, individuals, or foundations. The state pledges to use such gifts solely for providing incentives to individuals for saving for the future costs of higher

education. The state board of investment may invest the assets of the fund in those securities it deems appropriate.

(b) Assets of the fund may only be used to provide savings incentive shares to:

(1) individuals who elect to have some or all of their refund paid in United States savings bonds pursuant to subdivision 2, and

(2) individuals who purchase United States savings bonds and were residents of Minnesota during part or all of the year that the bonds were purchased.

(c) The executive director of the higher education coordinating board shall determine eligibility for savings incentive shares, maintain all records relating to the assignment of shares of the fund, and manage all disbursements from the fund.

(d) Individuals eligible for a savings incentive share must establish their eligibility with the higher education coordinating board, on a form prescribed by the executive director, by October 15 of the year that the refund is paid or between January 1 and October 15 of the year following the year that the bonds were purchased.

(e) To be eligible for savings incentive shares:

(1) an individual must either purchase, or be refunded, qualified United States bonds as defined by section 135(c)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1991; and

(2) an individual's modified adjusted gross income, as defined by section 135(c)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1991, for the taxable year in which the bonds were purchased or for the taxable year for which the refund was paid, cannot exceed the amount for which full exclusion of savings bond interest is allowed under section 135(b)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1991.

(f) The total value of shares awarded in a year cannot exceed the amount contributed to the higher education savings incentive fund in the year the bonds were purchased or the year before the refund was paid, plus the value of shares in that year that were forfeited to the fund, plus investment earnings in that year associated with unassigned shares. Each share shall have an original value of $1.

(g) The number of savings awards awarded in each year per $1 face value of United States savings bonds purchased is the smaller of:

(1) .5; or

(2) the value of shares available to be distributed as determined in paragraph (f) divided by the total face value of United States savings bonds purchased by or refunded to individuals eligible for annual savings share awards who file the form required by paragraph (d).

(h) Annual savings share awards shall be announced by January 31 of the year following the year the refund is paid.

(i) Savings share awards are redeemable only upon submission of proof to the executive director that interest from United States savings bonds was used for qualified higher education expenses as defined in section 135(c)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1991, and that some or all of that interest was exempt from federal taxation pursuant to section 135 of the Internal Revenue Code of 1986, as amended through December 31, 1991. The value of the savings share awards redeemed by an individual for a year cannot exceed the value of the bonds that were used by the individual for qualified higher education expenses for that year. Shares not redeemed within 25 years of assignment shall be forfeited to the higher education savings incentive fund.

Sec. 27. Laws 1991, chapter 356, article 1, section 5, subdivision 4, is amended to read:

Subd. 4. Campus Initiatives

The state university board may begin implementation of its quality education plans through campus initiatives that enhance the quality of student and institutional performances. The state university board may internally allocate ~~up to $250,000 for~~ money during the biennium to provide funding for these initiatives. The board shall evaluate the results of the initiatives and report its findings to the education divisions of the appropriations and finance committees by January 15, 1993.

Sec. 28. Laws 1991, chapter 356, article 2, section 6, subdivision 3, is amended to read:

Subd. 3. [REPORT.] The task force shall report its recommendations to the appropriations and finance committees of the legislature by September 1, ~~1992~~ 1993.

Sec. 29. Laws 1991, chapter 356, article 6, section 4, is amended by adding a subdivision to read:

Subd. 3a. [CURRENT EMPLOYEES.] It is the policy of the state of Minnesota that restructuring of peace officer education be accomplished while ensuring that fair and equitable arrangements are carried out to protect the interests of higher education system employees, and while facilitating the best possible service to the public. The affected governing boards shall make every effort to train and retrain existing employees for a changing work environment.

Options presented to employees whose positions might be eliminated by integrating peace officer education programs must include, but not be limited to, job and training opportunities necessary to qualify for another job within their current institution or a similar job in another institution.

Sec. 30. [VIOLENCE AND SEXUAL HARASSMENT.]

Subdivision 1. [PLANS.] Each public and private post-secondary institution, as defined in Minnesota Statutes, section 136A.101, subdivision 4, shall prepare and begin to implement plans to respond to problems of violence and sexual harassment on campus. The plans shall indicate the current status of the components in subdivision 2, the means planned to improve that status, a timeline for implementation of the improvements, and an estimated cost of implementing each.

Subd. 2. [COMPONENTS.] Each campus plan shall address at least the following components:

(1) security – type and level of security systems on campus, including physical plant, escort services, and other human resources;

(2) training – programs or other efforts to provide mandatory training to faculty, staff, and students regarding campus policies and procedures relating to incidents of violence and sexual harassment; and

(3) curriculum – courses or integration of materials into courses or programs that educate students for careers in fields relevant to violence and sexual harassment.

Subd. 3. [IMPLEMENTATION.] Each campus shall begin implementation of its plans following the review of its governing board. Except for capital improvements, full implementation must be accomplished by the beginning of the 1994-1995 academic year.

Subd. 4. [REPORT.] Each campus shall present its plan to its governing board by November 15, 1992. The governing boards shall review the plans with campus administrators and report the plans by January 15, 1993, to the higher education coordinating board and

the attorney general for review and comment. The higher education coordinating board and the attorney general jointly shall provide their review and comment to the legislature by March 15, 1993.

Sec. 31. [LICENSING PRIVATE BUSINESS, TRADE, AND CORRESPONDENCE SCHOOLS; RESPONSIBILITIES TRANSFERRED.]

The responsibilities of the commissioner of education, the department of education, and the state board of education conferred and specified under Minnesota Statutes, chapter 141, are transferred under Minnesota Statutes, section 15.039, to the higher education coordinating board.

Sec. 32. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the terms "commissioner," "commissioner's," "department," and "state board of education" wherever they appear in Minnesota Statutes, chapter 141, to "board" or "board's," as appropriate, in Minnesota Statutes 1992, chapter 141, and subsequent editions of the statutes.

Sec. 33. [REPEALER.]

Minnesota Statutes 1990, sections 136A.143; 136C.13, subdivision 2; and 141.21, subdivision 2, are repealed.

Sec. 34. [EFFECTIVE DATES.]

(a) Section 13 is effective July 1, 1994.

(b) Section 26, subdivision 2, is effective July 1, 1994, for refunds and forms issued beginning in 1993.

(c) Section 26, subdivision 3, is effective July 1, 1994, only if the following conditions are met:

(1) the executive director of the higher education coordinating board has received all of the following determinations from the Internal Revenue Service:

(i) that the board of investment will not be required to pay taxes on any income earned from contributions to the higher education savings incentive fund;

(ii) individual, corporate, or foundation contributions to the higher education savings incentive fund will be exempt from federal taxation under applicable federal law relating to contributions to charitable organizations; and

(iii) savings incentive shares allocated to individuals under the conditions established in section 26, subdivision 3, will be exempt from federal taxation until they are redeemed; and

(2) the legislative commission on planning and fiscal policy has determined that:

(i) the annual costs of administering individual accounts and managing assets in the higher education savings incentive fund will not exceed one percent of the value of estimated assets; and

(ii) there is a high probability that annual contributions to the fund will be at least $5,000,000.

(d) Section 24 is effective July 1, 1992, for offenses committed on or after that date. Sections 29 and 30 are effective the day following final enactment.

ARTICLE 2

STATE GOVERNMENT

Section 1. [STATE GOVERNMENT; APPROPRIATIONS.]

Unless otherwise indicated, all sums set forth in the columns designated "1992 and 1993 APPROPRIATION CHANGE" are to be added to or reduced from general fund appropriations made by Laws 1991, chapter 345, or another named law, for the fiscal years ending June 30, 1992, and June 30, 1993, respectively. Amounts to be reduced are designated by parentheses.

SUMMARY BY FUND

	1992	1993	TOTAL
APPROPRIATION CHANGE	$(2,934,000)	$(16,817,200)	$(19,751,200)
GENERAL FUND	$(2,934,000)	$(17,017,200)	$(19,951,200)
SPECIAL REVENUE FUND	$ -0-	$ 200,000	$ 200,000

	APPROPRIATION CHANGE 1992	1993
	$	$
Sec. 2. LEGISLATURE		(3,064,000)

$500,000 is for the legislative commission on planning and fiscal policy. Of

	1992	1993
	$	$

this amount, $300,000 is to support enhanced collection activities in the departments of finance, human services, and revenue, and $200,000 is for a study to identify long-term options on restructuring the state of Minnesota accounts receivable process and recommending changes to the commissioner of finance in policies governing management of receivables. The study should address organizational changes that may improve collections, accounting mechanisms that would better monitor agency performance, and incentive structures to improve the level of performance. The management analysis group of the department of administration shall manage the study for the commission.

After the effective date of this section, the information policy office is responsible for the administration of the state information systems project. By November 1, 1992, the information policy office will evaluate the usefulness of continuing this information systems directory and report its findings to the legislature and the commissioner of administration.

Sec. 3. SUPREME COURT 680,000

$5,000 is for alternative dispute resolution in Anoka county.

$50,000 is for a judges workload and telecommunications study.

$625,000 is to be distributed to qualified legal services programs according to the percentages in Minnesota Statutes, section 480.242, subdivision 2, paragraphs (a) and (b).

Sec. 4. BOARD OF PUBLIC DEFENSE 450,000

$140,000 is for an automated data collection system and transfer of fiscal

	1992	1993
	$	$

agent functions from the counties to the state.

$150,000 is for the costs of caseload increases.

$160,000 is for costs associated with defense of persons involved in the sting operation at Stillwater correctional facility.

The board of public defense may forward to the respective host counties in the multicounty judicial districts one-half of the individual districts' allotted funding for fiscal year 1993 as close to July 1, 1992, as possible. Expenses of district public defender offices in the multicounty districts shall be paid from these funds through December 31, 1992. The host counties may use interest earnings on these funds for public defense related expenses which occur prior to January 1, 1993, but which may be paid after January 1, 1993. After December 31, 1992, the board may only pay expenses which occur on or after January 1, 1993.

Notwithstanding any law to the contrary, district public defenders in multicounty districts who currently have fringe benefits provided through a county program shall continue to be eligible to receive these benefits after December 31, 1992. Persons hired in these positions after the effective date of this section are eligible to receive these benefits under the same conditions as those hired before. Participation is subject to Minnesota Statutes, section 611.26, subdivision 9. After December 31, 1992, premiums may be billed by the counties to the board of public defense in a manner prescribed by the board.

	1992	1993
	$	$
District public defenders in multicounty districts who currently participate in the public employee retirement association may continue their participation after December 31, 1992. District public defenders in multicounty districts hired after the effective date of this section may participate in the public employees retirement association under the same conditions as those hired before.		
The board may transfer funds among appropriations and programs.		
Sec. 5. GOVERNOR AND LIEUTENANT GOVERNOR	503,000	(251,000)
$503,000 in fiscal year 1992 is for plaintiffs' fee award for attorneys' fees and expenses in the case of Jane Hodgson et al. vs. State of Minnesota.		
Sec. 6. STATE AUDITOR		(50,000)
Sec. 7. STATE TREASURER		(103,000)
Sec. 8. ATTORNEY GENERAL	50,000	(1,603,000)
$50,000 is to pay the costs of appealing the trial court decision in the case of Sheridan and Dianne Skeen vs. State of Minnesota.		
Sec. 9. OFFICE OF STRATEGIC AND LONG-RANGE PLANNING		(400,000)
No reductions may be made to the environmental quality board.		
A reduction of $400,000 is from the Minnesota millstone project.		
Sec. 10. ADMINISTRATION	(2,590,000)	(2,005,000)

	1992	1993
	$	$
Summary by Fund		
General Fund	(2,000,000)	(1,983,000)
Parking Fund		73,000
General Projects Fund	(300,000)	
Revolving Fund	(40,000)	(45,000)
Enterprise Fund	(250,000)	(50,000)

The balance of the appropriation made to the commissioner of administration by Laws 1991, chapter 345, article 1, section 17, subdivision 4, for the development of a framework for an integrated infrastructure management system is available until June 30, 1993, and shall also be used to develop a strategic long-range plan to study and fund adequate office space for state agencies in the metropolitan area and in the capitol complex. The study shall include an analysis of how information technology can be used for more efficient space utilization. This appropriation includes planning funds for the capitol area architectural and planning board.

$85,000 of the appropriation in fiscal year 1993 is to be used to manage the costs of freight for state purchases.

Reductions of $934,000 in either fiscal year 1992 or 1993 shall be allocated at the discretion of the department.

No reductions may be made for the intergovernmental information systems advisory council.

No reductions may be made to the land management information center.

$13,781,000 of the appropriation for costs relating to agency relocation, consolidation, and colocation in Laws 1991, chapter 345, article 1, section 17,

	1992	1993
	$	$

subdivision 4, is available until expended. $75,000 of this amount is for a grant to Itasca county to plan and do other preliminary work for construction of the Itasca Center.

Up to $50,000 of this amount is for a grant to the city of St. Paul for the stabilization and renovation of the Warren Burger House, available upon receipt of dollar-for-dollar nonstate funds as a cash match or in-kind contribution of materials and supplies.

The commissioner of administration is directed to review existing general project fund accounts for repairs, betterments and relocation of agencies, to cancel unobligated funding no longer required for specific projects, and to transfer $300,000 to the general fund by June 30, 1992.

$240,000 is for matching grants to public television stations.

$840,000 is for public television equipment needs. Equipment grant allocations shall be made after considering the recommendations of the Minnesota Public Television Association.

$132,000 is for public educational radio stations, which must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations for equipment needs.

$355,000 is for grants to affiliate stations of Minnesota Public Radio, Incorporated. Equipment grant allocations must be made after consideration of the recommendations of Minnesota Public Radio, Incorporated.

The commissioner of administration is directed to transfer $82,000 in fiscal

	1992	1993
	$	$

year 1992 and $186,000 in fiscal year 1993 from the special revenue parking fund to the general fund and to provide for a reserve for replacement of parking facilities from the proceeds of the fee increases.

The commissioner of administration is directed to transfer travel provider rebates of $40,000 in fiscal year 1992 and $45,000 in fiscal year 1993 from the motor pool to the general fund. Future rebates will be transferred annually.

The commissioner of administration is directed to transfer book store excess earnings of $250,000 in fiscal year 1992 and $50,000 in fiscal year 1993 to the general fund. Future excess earnings exceeding amounts necessary for cash flow purposes will be transferred annually.

The bookstore staff shall study the possible purchase and staffing of a bookmobile; rental of space in St. Paul, Minneapolis, or other high traffic locations; advertising, participation in book fairs, and displays at events. Consideration may be given to use of future excess revenues as debt service for a new retail location.

Due to the inability of the department of administration to meet the matching requirements in Laws 1991, chapter 345, article 1, section 17, subdivision 9, the matching requirements need not be met in either year of the biennium.

$200,000 is to be divided equally between the Northeast STARS region and the Southeast STARS region to install and administer a regional telecommunications network pilot project to validate the STARS telecommunications regions development study findings in the regions and continue work on the master plan for regional telecommuni-

	1992	1993
	$	$

cations. The funds must be matched in-kind or monetarily dollar-for-dollar by the region.

The master plan must include a technology assessment that compares the function, performance, benefits, and costs of available telecommunications technologies, including full and fractional DS1 narrowband communications, DS3 wideband communications, and AM and FM video on fiber optics. The master plan should review regional requirements for telecommunications and make recommendations on the standardization of telecommunications architecture in relation to the technology assessment. The master plan must establish a policy for participation in a communications system.

Selection of participants shall be based on geographical proximity and natural connections within the general regional areas surrounding Duluth and Rochester. Participants shall be selected from the following categories: education, state and local governments, and other public service entities including but not limited to libraries, courts and criminal justice agencies, health and human services, community and economic development entities, and cultural and nonprofit organizations or institutions. Participants shall demonstrate collaboration with one or more other entities in making their connections to the regional system. Participants in the pilot project and master plan must be represented on the regional advisory organization and together determine the design of the pilot and future master plan of regional telecommunications network systems.

If successful, this matching fund program for pilot projects and master planning must be considered for replication

	1992	1993
	$	$

statewide in the next biennium.

Sec. 11. FINANCE	(176,000)	896,000

Approved complement addition:

General fund – 1

$1,000,000 in fiscal year 1993 is for the continuation of the statewide systems project. This appropriation is available until expended.

Reductions of $176,000 in fiscal year 1992 and $176,000 in fiscal year 1993 are from administrative expenditures.

The position of deputy commissioner is reestablished in the department of finance.

An estimated $166,000 will be returned to the general fund in fiscal year 1993 through a comprehensive review of statewide indirect costs. One new staff position and $42,000 in fiscal year 1993 is for implementation of a comprehensive review of statewide indirect cost allocation policies and collection methodologies to increase recoveries to the general fund.

$1,450,000 shall be reimbursed to the general fund in fiscal year 1993 through a six-month write-off cycle for unclaimed warrants. $20,000 in fiscal year 1993 is for temporary staff to handle one-time additional workload to process claims for warrants.

$10,300 is for a refund to the city of Redwood Falls of the application fee and deposit for allocation No. 378 received by the department of finance during calendar year 1991 from the city under Minnesota Statutes, section 474A.091.

Sec. 12. EMPLOYEE RELATIONS	(1,309,000)	(10,169,000)

	1992 $	1993 $
Summary by Fund		
General Fund	(845,000)	(7,184,000)
Special Revenue Fund		200,000
Other Funds	(516,000)	(3,200,000)

Approved complement addition:

Special revenue – 3

The estimated savings to the general fund pursuant to removing dedication of the excess state aid contribution collected by the public employees retirement association is $1,600,000 in fiscal year 1993.

In order to control bureaucratic bloat, i.e., top-heavy bureaucracies, the department shall present an analysis of a span of control ratio (number of employees per manager) throughout state government. The commissioner shall prepare a report indicating the ratio of managers and supervisors to other employees in state government by agency program. The department shall report to the appropriate committees of the legislature by January 1, 1993. The report must recommend an appropriate ratio and a plan to control bureaucratic bloat where it exists.

The commissioner of employee relations is directed to develop and coordinate implementation procedures to enhance agency registrations of state employees' prior injuries and illnesses. The commissioner shall also develop and implement procedures for medical claim file reviews, intensive monitoring of potential second injury claims, and expedition of second injury and supplemental reimbursement applications from the special compensation fund administered by the commissioner of labor and industry. Implementation of the procedures required under this section are expected to yield savings to

	1992	1993
	$	$
the general fund of $708,000 in fiscal year 1992 and $465,000 in fiscal year 1993. Any other law to the contrary notwithstanding, reimbursements in excess of the total obtained in fiscal year 1991 shall be deposited in a special account within the special fund and transferred to the appropriate funds from which associated claims originate according to procedures and by dates specified by the commissioner of finance.		
Reductions of $358,000 in fiscal year 1993 shall be allocated at the discretion of the department.		
Sec. 13. REVENUE		(700,000)
Reductions of $700,000 in either fiscal year 1992 or 1993 shall be allocated at the discretion of the department.		
The revolving fund which is used to pay the initial costs of local property tax assessment ordered by the department of revenue is abolished and the balance of $250,000 in fiscal year 1993 is transferred to the general fund.		
The department of revenue is directed to add collection activities and to increase or redirect collections initiatives as necessary to increase revenue collections by $1,800,000 in fiscal year 1993.		
Sec. 14. TRADE AND ECONOMIC DEVELOPMENT		
Subdivision 1. Total Appropriation Changes	(833,000)	2,197,000
Subd. 2. Community Development	(200,000)	3,784,000
The appropriation reduction in fiscal year 1992 includes a reduction of $200,000 for a grant to the World Trade		

	1992	1993
	$	$

Center Corporation for establishment of an annual medical exposition, trade fair, and health care congress to begin in 1993. The remainder of this appropriation does not cancel but is available to the World Trade Center Corporation until expended.

Any amounts appropriated in Laws 1991, chapter 345, article 1, section 23, subdivision 2, for the establishment of an annual medical exposition, trade fair, and health care congress that have not been matched by January 1, 1993, shall be transferred to the community development division for grant programs.

$50,000 of the unobligated balance in the economic recovery grant account in the special revenue fund shall be transferred to the general fund by June 30, 1992.

$1,422,000 is for grants to the cities of Minneapolis and St. Paul for debt service payments due on bonds issued for metropolitan area parks.

$1,512,000 is for a grant to the metropolitan council for operation and maintenance of metropolitan area parks.

$1,000,000 is for grants that the commissioner shall make available in amounts up to $50,000 to assist in the purchase of advanced technology used in production operations located in facilities outside the seven-county metropolitan area. The amount of each grant shall not exceed 50 percent of the purchase price of eligible equipment. Requests for the grants must be accompanied by a synopsis of a plan for any necessary employee retraining. The commissioner shall develop criteria for awarding grants and is encouraged to coordinate the awards with other programs such as the job skills

	1992	1993
	$	$

partnership program under Minnesota Statutes, chapter 116L. A company may receive no more than one grant per year.

Subd. 3. Minnesota Trade Office

(100,000)	(100,000)

The appropriation for grants to nonprofit organizations to support international cultural and educational exchange programs and to make grants to and loans to qualifying Minnesota businesses for the support of the international partnership program is reduced by $20,000.

Any balance in excess of $1,000,000 in the export finance working capital account on June 30 of each year must be transferred by the commissioner to the general fund. It is estimated that $225,000 will transfer in fiscal year 1992, and $70,000 will transfer in fiscal year 1993.

Subd. 4. Tourism

(200,000)

The office of tourism shall meet with representatives from department of natural resources-operated parks, hotel and motel associations, Indian gaming associations, and other organizations to plan a unified state-based telephone/electronic mail reservation system. The office shall report to the appropriate legislative committees by January 15, 1993.

The department shall propose a method of defining beneficiaries of state appropriations for the promotion of significant tourism-related events and for recovery of those appropriations.

	1992	1993
	$	$

The department shall assist in the reestablishment and promotion of the Northern League, a baseball minor league, which will begin operations in the Upper Midwest in 1993.

Subd. 5. Business Development and Analysis

(419,000) (130,000)

$50,000 is reduced from the fiscal year 1992 appropriation for Minnesota jobs skills partnership grants.

$125,000 is reduced from the fiscal year 1992 appropriation for a grant to Advantage Minnesota, Inc.

The unobligated appropriation balance in Laws 1983, chapter 334, section 6, for jobs skills partnership grants shall cancel to the general fund. The estimated cancellation is $43,000.

The unobligated appropriation balance in Laws 1987, chapter 386, article 10, section 9, with carry forward authority in Laws 1989, chapter 335, article 1, section 25, subdivision 3, for jobs skills partnership grants shall cancel to the general fund. The estimated cancellation is $20,500.

No reductions may be made to the Minnesota motion picture board.

The Minnesota motion picture board shall investigate and promote the use of rural Minnesota as a setting for video, film, and television production and location.

The Minnesota motion picture board shall study and make recommendations for the establishment of an annual Asian film festival. The board shall report and make recommenda-

	1992	1993
	$	$
tions to the appropriate committees of the legislature by January 15, 1993.		
Subd. 6. Administration	(114,000)	(47,000)
Reductions of $1,110,000 in either fiscal year 1992 or 1993 shall be allocated at the discretion of the department.		
Sec. 15. MEDIATION SERVICES		(60,000)
The reduction is to the appropriation for grants to area labor-management committees in the second year. Any unencumbered balance remaining in the first year does not cancel but remains available for the second year.		
Sec. 16. MILITARY AFFAIRS	(542,000)	(947,000)
The reduction of $542,000 in fiscal year 1992 and $542,000 in fiscal year 1993 is associated with the closing of armories and the expenses attributed to maintenance and operation of armories. The department will substitute other cost reductions if total reductions are not realized from the closing of armories.		
Except for reduction of the tuition reimbursement for enlistment or reenlistment, reductions totaling $405,000 in either fiscal year 1992 or 1993 shall be allocated at the discretion of the department.		
Sec. 17. VETERANS AFFAIRS		(250,000)
The reduction of $250,000 in fiscal year 1993 is from a grant to the Vinland National Center.		
Sec. 18. POLICE AND FIRE AMORTIZATION AID		(2,020,000)

	1992	1993
	$	$
This reduction is due to excess investment earnings.		
Sec. 19. MINNESOTA STATE RETIREMENT SYSTEM – General Plan		
The commissioner of finance shall reduce agencies' fiscal year 1993 annual spending plans by the amount of the savings attributable to reductions to the employer retirement contribution rate to the state employees retirement fund. It is estimated that the savings to the general fund will be $1,731,000 in fiscal year 1993.		
Sec. 20. JUDGES' RETIREMENT FUND		(245,000)
This reduction is due to excess investment earnings.		
Sec. 21. TORT CLAIMS	259,000	
$259,000 is for the payment of a total judgment of principal and interest in the Gillette Hospital malpractice lawsuit.		
Sec. 22. FREIGHT EXPENSE REDUCTION		
The commissioner of administration through executive authority is directed to improve management of freight costs by developing an aggressive freight management program. The commissioner of administration shall identify projected savings from this program and provide a listing to the commissioner of finance. The commissioner of finance shall direct the agencies to reduce allotments as these savings occur and cancel them to the general fund at the end of the fiscal year. Projected saving for this program is $1,901,000 in fiscal year 1993.		
Sec. 23. INTERTECH REBATE		

	1992	1993
	$	$

The department of finance shall unallot from state agency budgets the $1,000,000 general fund portion of the December 1991 rebate from the Intertech internal service fund. The department of finance shall also unallot from state agency budgets an additional $1,000,000 from the general fund portion of an Intertech rebate to be given to state agencies in fiscal year 1993. This unallotted money shall be returned to the general fund.

Sec. 24. PLANT MANAGEMENT RETAINED EARNINGS

The commissioner of administration is directed to refund in fiscal year 1993 $1,400,000 of excess earnings in the plant management internal service fund of which $1,000,000 shall be transferred to the general fund. The commissioner of administration shall furnish a list of the general fund refunds prior to preparation of agencies' 1993 annual budget plans and the commissioner of finance shall direct the agencies to reduce their fiscal year 1993 allotments.

Sec. 25. IMPROVE WORKERS' COMPENSATION CASE MANAGEMENT

The commissioner of employee relations is directed to conduct comprehensive medical utilization reviews of state employee workers' compensation medical claims. Any other law to the contrary notwithstanding, reductions to original medical billings resulting from utilization reviews shall be accounted for by the commissioner and deposited in a separate account within the special revenue fund according to procedures specified by the commissioner of finance. Deposits to this account shall be transferred to the appropriate funds in proportion to the

	1992	1993
	$	$

claims savings attributable. The commissioner shall provide staff to administer a return-to-work unit within the health, safety, and workers' compensation program to enhance procedures and agency personnel practices in order to facilitate the return of claimants to suitable state employment. It is estimated that the general fund savings attributable to this program will yield a net savings of $222,000 in fiscal year 1992 and $1,350,000 in fiscal year 1993, which will be transferred to the general fund. Three new positions are to staff and implement a return-to-work unit which will manage internal file review and reduce costs.

Sec. 26. PRETAX FICA AND MEDICARE SAVINGS

The commissioner of employee relations, in conjunction with the commissioner of finance, shall develop and implement procedures to account for the savings accruing to agency budgets due to reductions to federal old age, survivors, disability, and health insurance program and supplemental Medicare obligations that occur as a result of reductions to taxable gross income for employees participating in health, dental, and life plans administered by the commissioner of employee relations. The savings that accrue to agencies' budgets shall be accounted for, unallotted, and canceled to the appropriate funds according to the procedures and dates specified by the commissioner of finance. It is expected that savings to the general fund resulting from the actions required under this section will be $576,000 in fiscal year 1993.

Sec. 27. INSURANCE TRUST FUND (623,000) (4,900,000)

This reduction is to agency budgets to account for premium holidays to be

	1992	1993
	$	$

declared by the commissioner of employee relations. For periods deemed appropriate by the commissioner of employee relations to adjust balances in the accounts of the insurance trust fund, the commissioner shall declare premium holidays in the basic life and dental insurance plans in the health and benefits program within the current biennium. The commissioner of finance shall reduce agency allotments and cancel to the respective funds savings accruing to agency budgets as a result of premium holidays or reductions made effective by the commissioner of employee relations.

Sec. 28. BUILDING PROJECT

Effective July 1, 1992, no state agency or department shall propose and the legislature shall not consider building or relocation projects without reviewing implications of utilizing information technology on space utilization.

Sec. 29. Minnesota Statutes 1990, section 3.736, subdivision 8, is amended to read:

Subd. 8. [LIABILITY INSURANCE.] A state agency, including an entity defined as a part of the state in section 3.732, subdivision 1, clause (1), may procure insurance against liability of the agency and its employees for damages resulting from the torts of the agency and its employees. Procurement of the insurance is a waiver of the ~~defense~~ limits of governmental ~~immunity~~ liability under subdivisions 4 and 4a only to the extent ~~of the liability stated in the policy but~~ that valid and collectible insurance, including where applicable, proceeds from the Minnesota Guarantee Fund, exceeds those limits and covers the claim. Purchase of insurance has no other effect on the liability of the agency and its employees ~~beyond the coverage provided by the policy~~. Procurement of commercial insurance, participation in the risk management fund under section 16B.85, or provisions of an individual self-insurance plan with or without a reserve fund or reinsurance does not constitute a waiver of any governmental immunities or exclusions.

Sec. 30. [4A.04] [COOPERATIVE CONTRACTS.]

(a) The director may apply for, receive, and expend money from municipal, county, regional, and other planning agencies; apply for, accept, and disburse grants and other aids for planning purposes from the federal government and from other public or private sources; and may enter into contracts with agencies of the federal government, local governmental units, the University of Minnesota, and other educational institutions, and private persons as necessary to perform the director's duties. Contracts made pursuant to this section are not subject to the provisions of chapter 16B, as they relate to competitive bidding.

(b) The director may apply for, receive, and expend money made available from federal sources or other sources for the purposes of carrying out the duties and responsibilities of the director relating to local and urban affairs.

(c) All money received by the director pursuant to this section shall be deposited in the state treasury and is appropriated to the director for the purposes for which the money has been received. The money shall not cancel and is available until expended.

Sec. 31. Minnesota Statutes 1991 Supplement, section 16A.45, subdivision 1, is amended to read:

Subdivision 1. [CANCEL; CREDIT.] Once each fiscal year the commissioner and the treasurer shall cancel upon their books all outstanding unpaid commissioner's warrants, except warrants issued for federal assistance programs, that have been issued and delivered for more than ~~five years~~ six months prior to that date and credit to the general fund the respective amounts of the canceled warrants. These warrants are presumed abandoned under section 345.38 and are subject to the provisions of sections 345.31 to 345.60. The commissioner and the treasurer shall cancel upon their books all outstanding unpaid commissioner's warrants issued for federal assistance programs that have been issued and delivered for more than the period of time set pursuant to the federal program and credit to the general fund and the appropriate account in the federal fund, the amount of the canceled warrants.

Sec. 32. Minnesota Statutes 1990, section 16A.45, is amended by adding a subdivision to read:

Subd. 4. [LOCATING UNPAID WARRANTS.] A person may not seek or receive from another person, or contract with a person for, a fee or compensation for locating outstanding unpaid commissioner's warrants prior to the time the warrants have been reported to the commissioner of commerce under section 345.41.

Sec. 33. Minnesota Statutes 1990, section 16A.48, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] A verified claim may be submitted to the concerned agency head for refund of money in the treasury to which the state is not entitled. The claimant must submit with the claim a complete statement of facts and reasons for the refund. The agency head shall consider and approve or disapprove the claim, attach a statement of reasons, and forward the claim to the commissioner for settlement. ~~No claim may be approved unless the agency head first obtains from the attorney general written certification that the refund will not jeopardize any rights of setoff or recoupment held by the state and any subdivision thereof, including local governments. Upon the exercise of any setoff or recoupment, the attorney general shall certify the amount of the remainder, if any, that may be appropriated and paid.~~

Sec. 34. Minnesota Statutes 1991 Supplement, section 16A.723, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATION.] The reimbursements collected under subdivision 1 are appropriated for payment of residence expenses ~~relating to~~, including dry cleaning, carpet cleaning, and the repair and replacement of household equipment and supplies used for events conducted at the governor's residence.

Sec. 35. Minnesota Statutes 1990, section 16B.85, subdivision 5, is amended to read:

Subd. 5. [RISK MANAGEMENT FUND NOT CONSIDERED INSURANCE.] A state agency, including an entity defined as a part of the state in section 3.732, subdivision 1, clause (1), may procure insurance against liability of the agency and its employees for damages resulting from the torts of the agency and its employees. The procurement of this insurance constitutes a waiver of the limits ~~or~~ of governmental liability under section 3.736, subdivisions 4 and 4a, only to the extent ~~of the liability stated in the policy but~~ that valid and collectible insurance, including where applicable, proceeds from the Minnesota Guarantee Fund, exceeds those limits and covers the claim. Purchase of insurance has no other effect on the liability of the agency and its employees ~~beyond the coverage as provided~~. Procurement of commercial insurance, participation in the risk management fund under this section, or provisions of an individual self-insurance plan with or without a reserve fund or reinsurance does not constitute a waiver of any ~~of the~~ governmental immunities or exclusions ~~under section 3.736~~.

Sec. 36. Minnesota Statutes 1991 Supplement, section 43A.316, subdivision 9, is amended to read:

Subd. 9. [PUBLIC EMPLOYEE INSURANCE TRUST FUND.] The public employee insurance trust fund in the state treasury consists of deposits of the premiums received from employers participating in the plan ~~and transfers from the public employees insur-~~

~~ance reserve holding account established by section 353.65, subdivision 7~~. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. Premiums paid by employers to the fund are exempt from the tax imposed by sections 60A.15 and 60A.198. The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The state board of investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.

Sec. 37. Minnesota Statutes 1990, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] (1) The municipal treasurer, on receiving the fire state aid, shall within 30 days after receipt transmit it to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality; but if there is no relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep the money in the municipal treasury as provided for in section 424A.08 and shall be disbursed only for the purposes and in the manner set forth in that section.

(2) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(a) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall be deposited in the public employees insurance reserve holding account of the public employees retirement association; or

(c) For a municipality other than a city of the first class with a population of more than 300,000 in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of

the relief association as provided in clause (a), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b) on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

For a city of the first class with a population of more than 300,000, in addition, the city may elect to allot the appropriate portion of the total police state aid to apply toward the employer contribution of the city to the public employees police and fire fund based on the covered salary of police officers covered by the fund each payroll period and to transmit the balance to the police relief association.

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall be deposited in the ~~public employees insurance reserve~~ excess contributions holding account ~~of the public employees retirement association~~.

Sec. 38. Minnesota Statutes 1990, section 116J.9673, subdivision 4, is amended to read:

Subd. 4. [WORKING CAPITAL ACCOUNT.] An export finance authority working capital account is created as a special account in the state treasury. All premiums and interest collected under subdivision 3, clause (6), must be deposited into this account. Fees collected must be credited to the general fund. The balance in the account may exceed $1,000,000 through accumulated earnings. Any balance in excess of $1,000,000 on June 30 of every year must be transferred to the general fund. Money in the account including interest earned and appropriations made by the legislature for the purposes of this section, is appropriated annually to the finance authority for the purposes of this section. The balance in the account may decline below $1,000,000 as required to pay defaults on guaranteed loans.

Sec. 39. Minnesota Statutes 1990, section 270.063, is amended to read:

270.063 [COLLECTION OF DELINQUENT TAXES.]

For the purpose of collecting delinquent state tax liabilities, there is appropriated to the commissioner of revenue an amount repre-

senting the cost of collection~~, not to exceed one-third of the amount collected~~ by contract with collection agencies, revenue departments of other states, or attorneys to enable the commissioner to reimburse these agencies, departments, or attorneys for this service, or provide for the operating costs of collection activities of the department of revenue. The commissioner shall report quarterly on the status of this program to the chair of the house tax and appropriation committees and senate tax and finance committees.

Notwithstanding section 16A.15, subdivision 3, the commissioner of revenue may authorize the prepayment of sheriff's fees, attorney fees, fees charged by revenue departments of other states, or court costs to be incurred in connection with the collection of delinquent tax liabilities owed to the commissioner of revenue.

Sec. 40. Minnesota Statutes 1990, section 270.71, is amended to read:

270.71 [ACQUISITION AND RESALE OF SEIZED PROPERTY.]

For the purpose of enabling the commissioner of revenue to purchase or redeem seized property in which the state of Minnesota has an interest arising from a lien for unpaid taxes, or to provide for the operating costs of collection activities of the department of revenue, there is appropriated to the commissioner an amount representing the cost of such purchases ~~or~~, redemptions, or collection activities. Seized property acquired by the state of Minnesota to satisfy unpaid taxes shall be resold by the commissioner. The commissioner shall preserve the value of seized property while controlling it, including but not limited to the procurement of insurance. For the purpose of refunding the proceeds from the sale of levied or redeemed property which are in excess of the actual tax liability plus costs of acquiring the property, there is hereby created a levied and redeemed property refund account in the agency fund. All amounts deposited into this account are appropriated to the commissioner of revenue. The commissioner shall report quarterly on the status of this program to the chairs of the house taxes and appropriations committees and senate taxes and tax laws and finance committees.

Sec. 41. Minnesota Statutes 1990, section 352.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund must be equal to ~~4.15~~ 3.99 percent of salary. These contributions must be made by deduction from salary as provided in subdivision 4.

Sec. 42. Minnesota Statutes 1990, section 352.04, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] (a) The employer contribution to the fund must be equal to ~~4.29~~ 4.12 percent of salary.

(b) By January 1 of each year, the board of directors shall report to the legislative commission on pensions and retirement, the chair of the committee on appropriations of the house of representatives, and the chair of the committee on finance of the senate on the amount raised by the employer and employee contribution rates in effect and whether the total amount is less than, the same as, or more than the actuarial requirement determined under section 356.215.

Sec. 43. Minnesota Statutes 1990, section 353.27, subdivision 13, is amended to read:

Subd. 13. [CERTAIN WARRANTS CANCELED.] A warrant payable from the retirement fund remaining unpaid for a period of ~~five years~~ six months must be canceled into the retirement fund and not into the general fund.

Sec. 44. Minnesota Statutes 1990, section 353.65, subdivision 7, is amended to read:

Subd. 7. Within the general fund, the ~~public employees insurance reserve~~ excess contributions holding account is established in the public employees retirement association. Excess contributions established by section 69.031, subdivision 5, paragraphs (2), clauses (b) and (c), and (3) must be deposited in the account. These contributions and all investment earnings associated with them must ~~be regularly transferred to the insurance trust fund established by section 43A.316, subdivision 9~~ cancel to the fund at the close of each fiscal year.

Sec. 45. Minnesota Statutes 1990, section 356.65, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, unless the context clearly indicates otherwise, the following terms shall have the meanings given to them:

(a) "Public pension fund" means any public pension plan as defined in section 356.61 and any Minnesota volunteer firefighters relief association which is established pursuant to chapter 424A and governed pursuant to sections 69.771 to 69.776.

(b) "Unclaimed public pension fund amounts" means any amounts representing accumulated member contributions, any outstanding unpaid annuity, service pension or other retirement benefit payments, including those made on warrants issued by the commissioner of finance, which have been issued and delivered for more than six ~~years~~ months prior to the date of the end of the fiscal year

applicable to the public pension fund, and any applicable interest to the credit of:

(1) an inactive or former member of a public pension fund who is not entitled to a defined retirement annuity and who has not applied for a refund of those amounts within five years after the last member contribution was made;

(2) a deceased inactive or former member of a public pension fund if no survivor is entitled to a survivor benefit and no survivor, designated beneficiary or legal representative of the estate has applied for a refund of those amounts within five years after the date of death of the inactive or former member.

Sec. 46. Minnesota Statutes 1991 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of ~~$85~~ $105.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of ~~$85~~ $105.

The party requesting a trial by jury shall pay $30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, $5, plus 25 cents per page after the first page, and $3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena, $3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, $10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, $7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, $5.

(7) Certificate as to existence or nonexistence of judgments docketed, $5 for each name certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, $5.

(9) For the filing of each partial, final, or annual account in all trusteeships, $10.

(10) For the deposit of a will, $5.

(11) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

The fees in clauses (3) and (4) need not be paid by the public authority or the party the public authority represents.

Sec. 47. Minnesota Statutes 1990, section 357.022, is amended to read:

357.022 [CONCILIATION COURT FEE.]

The court administrator in every county shall charge and collect a filing fee of $13 when the amount demanded is less than $1,000, $20 when the amount demanded is at least $1,000 but less than $4,000, and $25 when the amount demanded is $4,000 or more, from every plaintiff and from every defendant when the first paper for that party is filed in any conciliation court action. The court administrator shall transmit the fees monthly to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 48. Minnesota Statutes 1990, section 357.18, is amended by adding a subdivision to read:

Subd. 3. [SURCHARGE.] In addition to the fees imposed in subdivision 1, a $2 surcharge shall be collected: on each minimum fee charged under subdivision 1, clauses (1) and (6), and for each abstract certificate under subdivision 1, clause (4). Forty cents of each surcharge shall be retained by the county to cover its administrative costs and $1.60 shall be paid to the state treasury and credited to the general fund.

Sec. 49. Minnesota Statutes 1990, section 466.06, is amended to read:

466.06 [LIABILITY INSURANCE.]

The governing body of any municipality may procure insurance against liability of the municipality and its officers, employees, and agents for damages, including punitive damages, resulting from its torts and those of its officers, employees, and agents, including torts specified in section 466.03 for which the municipality is immune from liability. The insurance may provide protection in excess of the limit of liability imposed by section 466.04. If a municipality other than a school district has the authority to levy taxes, the premium costs for such insurance may be levied in excess of any per capita or local tax rate tax limitation imposed by statute or charter. Any independent board or commission in the municipality having authority to disburse funds for a particular municipal function without approval of the governing body may similarly procure liability insurance with respect to the field of its operation. The procurement of such insurance constitutes a waiver of the limits of governmental liability under section 466.04 only to the extent ~~of the liability stated in the policy but~~ that valid and collectible insurance, including where applicable, proceeds from the Minnesota Guarantee Fund, exceeds those limits and covers the claim. The purchase of insurance has no other effect on the liability of the municipality ~~beyond the coverage so provided~~ or its employees. Procurement of commercial insurance, participation in a self-insurance pool pursuant to section 471.981, or provision for an individual self-insurance plan with or without a reserve fund or reinsurance shall not constitute a waiver of any ~~of the~~ governmental immunities ~~conferred under section 466.03~~ or exclusions.

Sec. 50. Minnesota Statutes 1990, section 490.123, is amended by adding a subdivision to read:

Subd. 1c. [JUDGES NOT PARTICIPATING IN POSTRETIREMENT FUND.] For retired judges not participating in the postretirement fund, as defined in section 11A.18, the amount necessary to pay retirement benefits is appropriated from the general fund to the executive director of the Minnesota state retirement system. The executive director shall certify to the commissioner of finance the total amount required to pay such benefits each year on or before July 15. The certification shall include the number of anticipated benefit recipients, including survivors and designated beneficiaries, the total estimated requirements for each recipient group, and the total amount for all groups. The commissioner of finance shall, after any necessary reconciling adjustments or corrections, transfer the total required amount to a separate account within the judges' retirement fund. Any unencumbered balance at the end of the first year does not cancel, but is available for the second year. Any unencumbered balance remaining on June 30 of the second year of a biennium cancels and shall be credited to the general fund.

Sec. 51. Minnesota Statutes 1991 Supplement, section 508.82, is amended to read:

508.82 [REGISTRAR'S FEES.]

The fees to be paid to the registrar shall be as follows:

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (4), (11), (13), (14), (15), (17), (18), and (19), for filing or memorializing shall be paid to the state treasurer and credited to the general fund; plus a $2 surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2) to (4), (6), (11), (13), (15), and (19), with 40 cents of this surcharge to be retained by the county to cover its administrative costs and $1.60 to be paid to the state treasury and credited to the general fund;

(2) for registering each original certificate of title, and issuing a duplicate of it, $30;

(3) for registering each instrument transferring the fee simple title for which a new certificate of title is issued and for the issuance and registration of the new certificate of title, $30;

(4) for the entry of each memorial on a certificate and endorsements upon duplicate certificates, $15;

(5) for issuing each mortgagee's or lessee's duplicate, $10;

(6) for issuing each residue certificate, $20;

(7) for exchange certificates, $10 for each certificate canceled and $10 for each new certificate issued;

(8) for each certificate showing condition of the register, $10;

(9) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;

(10) for a noncertified copy of any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(11) for filing two copies of any plat in the office of the registrar, $30;

(12) for any other service under this chapter, such fee as the court shall determine;

(13) for issuing a duplicate certificate of title pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is paid in the same manner as the compensation of other county employees, $50, plus $10 to memorialize;

(14) for issuing a duplicate certificate of title pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is not paid by the county or pursuant to an order of the court, $10;

(15) for filing a condominium plat or an amendment to it in accordance with chapter 515, $30;

(16) for a copy of a condominium plat filed pursuant to chapters 515 and 515A, the fee shall be $1 for each page of the condominium plat with a minimum fee of $10;

(17) for filing a condominium declaration and plat or an amendment to it in accordance with chapter 515A, $10 for each certificate upon which the document is registered and $30 for the filing of the condominium plat or an amendment thereto;

(18) for the filing of a certified copy of a plat of the survey pursuant to section 508.23 or 508.671, $10;

(19) for filing a registered land survey in triplicate in accordance with section 508.47, subdivision 4, $30;

(20) for furnishing a certified copy of a registered land survey in accordance with section 508.47, subdivision 4, $10.

Sec. 52. Minnesota Statutes 1991 Supplement, section 508A.82, is amended to read:

508A.82 [REGISTRAR'S FEES.]

The fees to be paid to the registrar shall be as follows:

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (4), (11), (13), (14), (15), (17), and (19), for filing or memorializing shall be paid to the state treasurer and credited to the general fund; plus a $2 surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2) to (4), (6), (11), (13), (15), and (19), with 40 cents of this surcharge to be retained by the county to cover its administrative costs and $1.60 to be paid to the state treasury and credited to the general fund;

(2) for registering each original CPT, and issuing a duplicate of it, $30;

(3) for registering each instrument transferring the fee simple title for which a new CPT is issued and for the issuance and registration of the new CPT, $30;

(4) for the entry of each memorial on a certificate and endorsements upon duplicate CPTs, $15;

(5) for issuing each mortgagee's or lessee's duplicate, $10;

(6) for issuing each residue CPT, $20;

(7) for exchange CPTs, $10 for each CPT canceled and $10 for each new CPT issued;

(8) for each certificate showing condition of the register, $10;

(9) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;

(10) for a noncertified copy of any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(11) for filing two copies of any plat in the office of the registrar, $30;

(12) for any other service under sections 508A.01 to 508A.85, the fee the court shall determine;

(13) for issuing a duplicate CPT pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is paid in the same manner as the compensation of other county employees, $50, plus $10 to memorialize;

(14) for issuing a duplicate CPT pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is not paid by the county or pursuant to an order of the court, $10;

(15) for filing a condominium plat or an amendment to it in accordance with chapter 515, $30;

(16) for a copy of a condominium plat filed pursuant to chapters 515 and 515A, the fee shall be $1 for each page of the plat with a minimum fee of $10;

(17) for filing a condominium declaration and condominium plat or an amendment to it in accordance with chapter 515A, $10 for each certificate upon which the document is registered and $30 for the filing of the condominium plat or an amendment to it;

(18) in counties in which the compensation of the examiner of titles is paid in the same manner as the compensation of other county employees, for each parcel of land contained in the application for a CPT, as the number of parcels is determined by the examiner, a fee which is reasonable and which reflects the actual cost to the county, established by the board of county commissioners of the county in which the land is located;

(19) for filing a registered land survey in triplicate in accordance with section 508A.47, subdivision 4, $30;

(20) for furnishing a certified copy of a registered land survey in accordance with section 508A.47, subdivision 4, $10.

Sec. 53. Minnesota Statutes 1990, section 609.131, is amended by adding a subdivision to read:

Subd. 1a. [PETTY MISDEMEANOR SCHEDULE.] Prior to August 1, 1992, the conference of chief judges shall establish a schedule of misdemeanors that shall be treated as petty misdemeanors. A person charged with a violation that is on the schedule is not eligible for court-appointed counsel.

Sec. 54. Minnesota Statutes 1990, section 609.5315, is amended by adding a subdivision to read:

Subd. 6. [REPORTING REQUIREMENT.] The appropriate agency shall provide a written record of each forfeiture incident to the state auditor. The record shall include the amount forfeited, date, and a brief description of the circumstances involved. Reports shall be made on a monthly basis in a manner prescribed by the state auditor. The state auditor shall report annually to the legislature on the nature and extent of forfeitures.

Sec. 55. Minnesota Statutes 1991 Supplement, section 611.27, subdivision 7, is amended to read:

Subd. 7. [PUBLIC DEFENDER SERVICES; RESPONSIBILITY.] Notwithstanding subdivision 4, the state's obligation for the costs of the public defender services is limited to the appropriations made to the board of public defense. Services and expenses ~~beyond those~~

~~appropriated for~~ in unusual or unique cases where adequate representation cannot be provided by the district public defender shall be the responsibility of the counties within a judicial district. Expenses shall be distributed among the counties in proportion to their populations.

Sec. 56. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 8. [PUBLIC DEFENDER SERVICES; STATE PUBLIC DEFENDER REVIEW.] In an unusual or unique case where the chief district public defender does not believe that the office can provide adequate representation the chief public defender of the district shall immediately notify the state public defender.

Sec. 57. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 9. [PUBLIC DEFENDER SERVICES; REQUEST TO THE COURT.] The chief district public defender with the approval of the state public defender may request that the court authorize appointment of counsel other than the district public defender in such cases.

Sec. 58. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 10. [PUBLIC DEFENDER SERVICES; COUNTY NOTIFICATION.] Before requesting action by the court the state public defender shall notify each county within the judicial district.

Sec. 59. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 11. [PUBLIC DEFENDER SERVICES; NO PERMANENT STAFF.] The chief public defender may not request the court nor may the court order the addition of permanent staff under subdivision 7.

Sec. 60. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 12. [PUBLIC DEFENDER SERVICES; APPOINTMENT OF COUNSEL.] If the court finds that the provision of adequate legal representation, including associated services, is beyond the ability of the district public defender to provide, the court shall order counsel to be appointed, with compensation and expenses to be paid under the provisions of this subdivision and subdivision 7. Counsel in such cases shall be appointed by the chief district public defender. If the court issues an order denying the request, the court shall make written findings of fact and conclusions of law. Upon denial, the chief district public defender shall provide representation but may appeal

the order denying the request to the court of appeals. If the appeal is successful, the costs of representation and the appeal shall be paid by the counties of the judicial district.

Sec. 61. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 13. [PUBLIC DEFENDER SERVICES; COMPENSATION AND EXPENSES.] Hourly rates of compensation and expense reimbursements for the appointed counsel shall be calculated and paid in the same manner as the county where the charge originates pays for hourly appointed counsel. Counsel appointed under this subdivision shall document the time worked and expenses incurred in a manner prescribed by the chief district public defender.

Sec. 62. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 14. [PUBLIC DEFENSE SERVICES; DISTRICT COURT ADMINISTRATION.] All billings for services rendered and ordered under subdivision 7 shall require the approval of the chief district public defender before being forwarded on a monthly basis to the district court administrator for payment. The district court administrator shall bill the counties in the judicial district their share of the monthly billings in proportion to their populations in the most recent federal census.

Upon receiving a bill from the court administrator, each county shall forward to the court administrator within 60 days the amount requested. The court administrator shall pay the compensation and expenses of the appointed counsel, or in the case of a successful appeal the district public defender and the costs of associated services, from funds remitted by the counties. The court administrator shall not be responsible for the payment of these costs from any funds other than those remitted by the counties under this section.

Sec. 63. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 15. [PUBLIC DEFENDER SERVICES; REPORT.] The state public defender shall report to the legislature in the supplemental budget or the biennial budget document the number and costs of all successful petitions during the previous fiscal year.

Sec. 64. [FINDINGS.]

The legislature finds that the state of Minnesota faces immediate and serious financial problems. As a result, public employers may have insufficient resources to maintain their work forces at the

current level. The legislature determines that the public interest is best served if public employers' budgets can be balanced without layoffs of public employees. This section and section 65 are enacted as a temporary measure to help solve the financial crisis facing units of state and local government, while minimizing layoffs of public employees.

Sec. 65. [EMPLOYER-PAID HEALTH INSURANCE.]

Subdivision 1. [STATE EMPLOYEES.] A state employee, as defined in Minnesota Statutes, section 43A.02, subdivision 21, or an employee of the state university system, community college system, higher education board, Minnesota state retirement system, the teachers retirement association, or the public employees retirement association, is eligible for state-paid hospital, medical, and dental benefits if the person:

(1) is eligible for state-paid insurance under Minnesota Statutes, section 43A.18, or other law;

(2) (i) has at least 25 years of service in the state civil service as defined in Minnesota Statutes, section 43A.02, subdivision 10; or (ii) has at least 25 years of service as an employee of the Minnesota state retirement system, the teachers retirement association, or the public employees retirement association; or (iii) has at least 25 years of service credit in the public pension plan that the person is a member of on the day before retirement;

(3) upon retirement is immediately eligible for a retirement annuity;

(4) is at least 55 and not yet 65 years of age; and

(5) retires on or after July 1, 1992, and before October 1, 1992.

During the biennium ending June 30, 1993, an executive branch state agency may not hire a replacement for a person who retires under this subdivision, except under conditions specified by the commissioners of finance and employee relations.

Subd. 2. [OTHER PUBLIC EMPLOYEES.] The University of Minnesota or the governing body of a city, county, joint vocational technical district formed under Minnesota Statutes, sections 136C.60 to 136C.69, or other political subdivision of the state may, and the governing body of a school district may provide employer-paid hospital, medical, and dental benefits to a person who:

(1) is eligible for employer-paid insurance under collective bargaining agreements or personnel plans in effect on the day before the effective date of this section;

(2) has at least 25 years of service credit in the public pension plan that the person is a member of on the day before retirement; or in the case of a teacher has a total of at least 25 years of service credit in the teachers retirement association, a first-class city teacher retirement fund, or any combination of these groups;

(3) upon retirement is immediately eligible for a retirement annuity;

(4) is at least 55 and not yet 65 years of age; and

(5) in the case of a school district employee, retires on or after May 20, 1992, and before July 21, 1992; and in the case of an employee of another employer in this subdivision, retires on or after July 1, 1992, and before October 1, 1992. An employer that pays for insurance under this subdivision may not exclude any eligible employees.

Subd. 3. [CONDITIONS; COVERAGE.] An employee who is eligible both for the health insurance benefit under this section and for an early retirement incentive under a collective bargaining agreement or personnel plan established by the employer must select either the early retirement incentive in the collective bargaining agreement, personnel plan, or the incentive provided under this section, but may not receive both. For purposes of this section, a person retires when the person terminates active employment and applies for retirement benefits. The retired employee is eligible for single and dependent coverages and employer payments to which the person was entitled immediately before retirement, subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans, for employees in positions equivalent to the position from which the employee retired. The retired employee is not eligible for employer-paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the employee chooses not to receive the retirement benefits for which the employee has applied, or when the employee is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Nothing in this section obligates, limits, or otherwise affects the right of the University of Minnesota to provide employer-paid hospital, medical, dental benefits, and life insurance to any person.

Subd. 4. [RULE OF 90.] An employee who retires under this section using the rule of 90 must not be included in the calculations required by Minnesota Statutes, section 356.85.

Subd. 5. [APPLICATION OF OTHER LAWS.] Unilateral implementation of this section by a public employer is not an unfair labor practice for purposes of Minnesota Statutes, chapter 179A. The authority provided in this section for an employer to pay health

insurance costs for certain retired employees is not subject to the limits in Minnesota Statutes, section 179A.20, subdivision 2a.

Sec. 66. [REPEALER.]

Minnesota Statutes 1990, section 41A.051, is repealed. Minnesota Statutes 1990, section 270.185, is repealed effective January 1, 1993. On that date, any balance in the reassessment account of the special revenue fund is transferred to the general fund.

Sec. 67. [EFFECTIVE DATE.]

Sections 29, 35, and 49 are effective on the day following final enactment and apply to all cases arising on or after the effective date. Sections 39 and 40 are effective the day following final enactment. Sections 64 and 65 are effective the day following final enactment.

ARTICLE 3

INFRASTRUCTURE AND REGULATION

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

Unless otherwise indicated, all sums set forth in the columns designated "1992 and 1993 APPROPRIATION CHANGE" are to be added to or reduced from general fund appropriations made by Laws 1991, chapter 233, or another named law, for the fiscal years ending June 30, 1992, and June 30, 1993, respectively. Amounts to be reduced are designated by parentheses.

SUMMARY BY FUND

	1992	1993	TOTAL
APPROPRIATION CHANGE	$(2,057,000)	$(3,159,000)	$ (5,216,000)
GENERAL FUND	$(4,057,000)	$(7,359,000)	$(11,416,000)
TRUNK HIGHWAY FUND	$ 2,000,000	$ -0-	$ 2,000,000
SPECIAL REVENUE FUND	$ -0-	$ 4,200,000	$ 4,200,000

	APPROPRIATION CHANGE 1992 $	1993 $
Sec. 2. TRANSPORTATION		
Subdivision 1. Total Appropriation Changes	2,000,000	

The amounts in subdivision 1 are to be distributed among agency programs as specified in the following subdivisions.

Subd. 2. State Road Construction

1992	1993
(1,700,000)	(4,800,000)

This appropriation is from the trunk highway fund.

Subd. 3. Construction Engineering

1992	1993
1,700,000	4,800,000

This appropriation is from the trunk highway fund.

Subd. 4. State Road Operations

1992	1993
2,000,000	-0-

This appropriation is from the trunk highway fund.

The commissioner of transportation shall hold at least one public hearing in each department of transportation construction district before December 31, 1992. At each hearing the commissioner or the commissioner's designees shall explain to persons attending the hearing the commissioner's most recent two-year highway improvement program and six-year highway improvement work program, including the process used to determine the final programs; the sources of funding available to finance the programs and any major expansions of the programs, including anticipated federal highway funds; and the status of the designation

	1992	1993
	$	$

in Minnesota of highways to be included in the national highway system established under the federal Intermodal Surface Transportation Efficiency Act of 1991, and the process to be used in making these designations. The commissioner shall receive public comment on these programs, processes, systems, and funding sources.

The commissioner of transportation shall establish an advisory board to advise the commissioner on designation in Minnesota of highways to be included in the national highway system established under the federal Intermodal Surface Transportation Efficiency Act of 1991. The committee must be composed of citizens who have demonstrated an interest and involvement in the improvement of highways and other forms of surface transportation in Minnesota. No more than 20 percent of the members may be highway engineers. The advisory committee shall function from the date of the commissioner's appointments to it until November 30, 1993. The commissioner shall not propose to the United States secretary of transportation any highways in Minnesota for inclusion in the national highway system, or take any other steps that would lead to such a designation, without first consulting with the advisory board.

Notwithstanding any other law to the contrary, the board of Hennepin county commissioners shall transfer legal title to the James J. Hill Stone Arch Bridge to the Minnesota department of transportation upon payment by the department to the county of $1,001. The deed of conveyance shall contain a provision providing for a reverter to the county upon its need of the bridge for light rail transit.

	1992	1993
	$	$
Sec. 3. REGIONAL TRANSIT BOARD	1,500,000	

This appropriation is for Metro Mobility. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Sec. 4. PUBLIC SAFETY

Subdivision 1. Total Appropriation Changes	(1,420,000)	(998,000)

The amounts in this subdivision are to be distributed among agency programs as specified in the following subdivisions.

Subd. 2. Emergency Management	88,000	54,000

Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

This appropriation is to match federal funds for winter storm damage as provided in the Presidential Disaster Declaration awarded on December 26, 1991.

Subd. 3. Emergency Management and Emergency Response Reduction	(173,000)	(45,000)

The commissioner of public safety shall consolidate the emergency response commission with the division of emergency management into a single division known as the division of emergency management.

Subd. 4. Criminal Apprehension	(590,000)	(500,000)

	1992	1993
	$	$
Subd. 5. Fire Marshal		
	(69,000)	(7,000)
Subd. 6. Driver and Vehicle Services		
	(399,000)	(299,000)

The appropriation in Laws 1991, chapter 233, section 5, subdivision 8, for fiscal year 1992 for costs relating to collegiate plates for academic excellence scholarships is available for fiscal year 1993.

Subd. 7. Liquor Control		
	(40,000)	(70,000)
Subd. 8. Drug Policy		
	(10,000)	(20,000)
Subd. 9. Private Detective Board		
	(3,000)	-0-
Subd. 10. State Patrol		
	(16,000)	(40,000)
Subd. 11. Capitol Security		
	(75,000)	-0-
Subd. 12. Gambling Enforcement		
	(130,000)	-0-
Subd. 13. General Reductions		
	(3,000)	(71,000)
Sec. 5. BOARD OF PEACE OFFICER STANDARDS AND TRAINING		
Subdivision 1. Total Appropriation Changes	(151,000)	718,000

	1992	1993
	$	$
Summary by Fund		
General Fund	(151,000)	(3,482,000)
Special Revenue Fund	-0-	4,200,000

This appropriation is from the peace officers training account in the special revenue fund.

Any funds deposited into the peace officer training account in the special revenue fund in excess of $4,200,000 must be transferred and credited to the general fund.

Sec. 6. COMMERCE

Subdivision 1. Registration and Analysis		275,000

This appropriation is for unclaimed property administrative expenses.

The approved general fund complement is increased by two positions effective July 1, 1992.

Sec. 7. NON-HEALTH-RELATED BOARDS

Subdivision 1. Total for this section	59,000	88,000
Subd. 2. Board of Accountancy	10,000	14,000
Subd. 3. Board of Architecture, Engineering, Land Surveying, and Landscape Architecture	49,000	74,000

Sec. 8. PUBLIC SERVICE

Subdivision 1. Total Appropriation Changes	(87,000)	196,000

The approved general fund complement is increased by five positions in the classified service, effective July 1, 1992.

The amounts in subdivision 1 are to be distributed among agency programs as specified in the following subdivisions.

	1992	1993
	$	$

Except for the weights and measures division, the department of public service shall maintain its offices in the same building in which the public utilities commission maintains its offices.

Subd. 2. Information and Operations Management

(15,000) (15,000)

Subd. 3. Energy

(72,000) (72,000)

Subd. 4. Weights and Measures

-0- 283,000

This appropriation is for gasoline octane and oxygenated fuels enforcement.

$111,000 of this appropriation is for the first-year cost of the purchase of equipment through lease-purchase with a term of five years or less.

Sec. 9. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation Changes	(60,000)	(100,000)
Subd. 2. General Reduction	(60,000)	(130,000)

The reduction specified in this section can be taken in either year of the 1992-1993 biennium.

This reduction shall not apply to the fiscal agent program.

During the 1992-1993 biennium, notwithstanding any other law to the contrary, visitors to the Split Rock Lighthouse historic site as defined in Minnesota Statutes, section 138.025, subdivision 10, are not required to purchase a state park permit, in addition

	1992	1993
	$	$
to the historic site admission fee, unless they use other park facilities operated by the department of natural resources.		
Subd. 3. Greater Cloquet-Moose Lake Forest Fire Center		30,000
The society shall spend this amount as a grant to the city of Cloquet to complete planning and design for development of the center.		
Sec. 10. MINNESOTA HUMANITIES COMMISSION		(7,000)
The reduction specified in this section can be taken in either year of the 1992-1993 biennium.		
Sec. 11. BOARD OF THE ARTS		
Subdivision 1. Total Appropriation Changes		(36,000)
Subd. 2. General Reduction		(66,000)
The reduction specified in this subdivision can be taken in either year of the 1992-1993 biennium.		
Subd. 3. Kee Theatre		30,000
The board shall spend this amount as a grant for the restoration of the Kee Theatre in Kiester. It is the intent of the legislature that no further direct appropriation will be made for this purpose. The board may not use any part of this sum for administrative expenses.		
Sec. 12. MINNESOTA TECHNOLOGY, INC.	(3,711,000)	(4,140,000)
Subdivision 1. Fiscal Year 1992 Reductions		
$3,000,000 of the appropriation reduction in fiscal year 1992 is to be replaced		

	1992	1993
	$	$
by money from the agency's fund balance. The remainder of the reductions in fiscal year 1992 are expenditure reductions to be allocated by the agency's board among agency operations and grants.		
Subd. 2. Fiscal Year 1993 Changes		
(a) Agricultural Utilization Research Institute		(3,650,000)
The reduction of this grant is intended to be a one-time appropriation reduction and shall be reinstated in the base appropriation for the next biennium.		
(b) General Reduction	(711,000)	(540,000)
Except as provided in paragraph (a), for fiscal year 1993, Minnesota Technology, Inc. may reduce its funding and grants to the organizations required to receive grants and funding by Laws 1991, chapter 233, section 21, subdivision 2, and Laws 1991, chapter 322, section 18, by up to 6.3 percent. The remainder of the reductions required in this section must be from Minnesota Technology, Inc.'s remaining programs.		
(c) Minnesota High Technology Corridor Corporation		50,000
Sec. 13. WORLD TRADE CENTER CORPORATION	(50,000)	1,150,000
The reduction for fiscal year 1992 is from the money appropriated from the general fund for the regional international trade service center pilot project in Laws 1991, chapter 348, section 2, paragraph (a).		
Of the appropriation for fiscal year 1993:		
(a) $400,000 is for the costs of privatization of the World Trade Center Corporation, including:		

	1992	1993
	$	$
(1) a full-market value accounting of the corporation's assets, liabilities, liens, and encumbrances; and		
(2) preparation of a plan and method of privatization of the corporation, including retention of an investment advisor to assist in preparation of the plan.		
(b) $750,000 is for preservation of the assets and goodwill of the corporation for the purpose of enhancing the sale price of the corporation. The World Trade Center Corporation board shall make every reasonable effort to apportion the spending of this appropriation throughout the fiscal year. If the board spends more than one-fourth of this appropriation in any month in the fiscal year the board shall inform the commissioner of finance, the commissioner of administration, and the chairs of the house committee on appropriations and the senate committee on finance. This part of the appropriation does not cancel at the end of the fiscal year.		
Any money remaining in the World Trade Center Corporation account in the special revenue fund after sale of the assets or ownership of the corporation reverts to the general fund under Minnesota Statutes, section 44A.0311, as amended by this act.		
Sec. 14. LABOR AND INDUSTRY		
Subdivision 1. Total Appropriation Changes	(80,000)	
Subd. 2. Workplace Regulation and Enforcement	(40,000)	
Subd. 3. General Support	(40,000)	
Sec. 15. SECRETARY OF STATE		
Subdivision 1. General Reduction		(248,000)

	1992	1993
	$	$
The reduction specified in this section can be taken in either year of the 1992-1993 biennium.		

Sec. 16. Laws 1991, chapter 233, section 2, subdivision 2, is amended to read:

Subd. 2. Aeronautics	15,814,000	15,562,000

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

1992	1993
11,892,000	11,645,000

~~$1,749,000~~ $1,834,000 the first year and ~~$1,752,000~~ $1,837,000 the second year are for navigational aids.

~~$6,089,000~~ $7,200,000 the first year and ~~$6,089,000~~ $7,200,000 the second year are for airport construction grants.

~~$1,773,000~~ $2,100,000 the first year and ~~$1,773,000~~ $2,100,000 the second year are for airport maintenance grants.

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

These appropriations must be expended in accordance with Minnesota

	1992	1993
	$	$

Statutes, section 360.305, subdivision 4.

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

$8,000 the first year and $8,000 the second year are for maintenance of the Pine Creek Airport.

$500,000 the first year and $500,000 the second year are for air service grants.

~~$15,000 the first year and $15,000 the second year are for the advisory council on metropolitan airport planning.~~

(b) Civil Air Patrol

65,000 65,000

(c) Aeronautics Administration

3,857,000 3,852,000

$15,000 the first year and $15,000 the second year are for the advisory council on metropolitan airport planning.

Sec. 17. Laws 1991, chapter 233, section 3, is amended to read:

Sec. 3. REGIONAL TRANSIT BOARD 27,129,000 27,130,000

$12,668,000 the first year and $12,668,000 the second year are for Metro Mobility.

~~The regional transit board must not spend any money for metro mobility outside this appropriation.~~

	1992	1993
	$	$
If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.		

Sec. 18. Minnesota Statutes 1990, section 3.21, is amended to read:

3.21 [NOTICE.]

At least four months before the election, the attorney general shall furnish to the secretary of state a statement of the purpose and effect of all amendments proposed, showing clearly the form of the existing sections and how they will read if amended. If a section to which an amendment is proposed exceeds 150 words in length, the statement shall show the part of the section in which a change is proposed, both its existing form and as it will read when amended, together with the portions of the context that the attorney general deems necessary to understand the amendment. ~~In October before the election, the secretary of state shall publish the statement once in all qualified newspapers of the state. The secretary of state shall furnish the statement to the newspapers in reproducible form approved by the secretary of state, set in 7 1/2 point type on an 8 point body. The maximum rate for publication is that provided in section 331A.06 or 18 cents per standard line, whichever is less. If a newspaper refuses to publish the amendments, the refusal shall have no effect on the validity of the amendments. The secretary of state shall also forward to each county auditor enough copies of the statement, in poster form, to supply each election district of the county with two copies. The auditor shall have two copies conspicuously posted at or near each polling place on election day. Willful or negligent failure by an official named to perform a duty imposed by this section is a misdemeanor.~~

Sec. 19. Minnesota Statutes 1990, section 5.14, is amended to read:

5.14 [TRANSACTION SURCHARGE.]

The secretary of state may impose a surcharge of ~~$5~~ $10 on each transaction involving over-the-counter expedited service, other than simple copying requests, that takes place at the office of the secretary of state.

Sec. 20. Minnesota Statutes 1990, section 10A.31, subdivision 4, is amended to read:

Subd. 4. The amounts designated by individuals for the state

elections campaign fund, less three percent, are appropriated from the general fund and shall be credited to the appropriate account in the state elections campaign fund and annually appropriated for distribution as set forth in subdivisions 5, 6 and 7. An amount equal to three percent shall be retained in the general fund for administrative costs.

Sec. 21. Minnesota Statutes 1990, section 15.0597, subdivision 4, is amended to read:

Subd. 4. [NOTICE OF VACANCIES.] The chair of an existing agency, shall notify the secretary of a vacancy scheduled to occur in the agency as a result of the expiration of membership terms at least 45 days before the vacancy occurs. The chair of an existing agency shall give written notification to the secretary of each vacancy occurring as a result of newly created agency positions and of every other vacancy occurring for any reason other than the expiration of membership terms as soon as possible upon learning of the vacancy and in any case within 15 days after the occurrence of the vacancy. The appointing authority for newly created agencies shall give written notification to the secretary of all vacancies in the new agency within 15 days after the creation of the agency. ~~Every 21 days,~~ The secretary shall publish monthly in the State Register a list of all vacancies of which the secretary has been so notified. Only one notice of a vacancy shall be so published, unless the appointing authority rejects all applicants and requests the secretary to republish the notice of vacancy. One copy of the listing shall be made available at the office of the secretary to any interested person. The secretary shall distribute by mail copies of the listings to requesting persons. The listing for all vacancies scheduled to occur in the month of January shall be published in the State Register together with the compilation of agency data required to be published pursuant to subdivision 3.

Sec. 22. Minnesota Statutes 1990, section 44A.0311, is amended to read:

44A.0311 [WORLD TRADE CENTER CORPORATION ACCOUNT.]

The world trade center corporation account is in the special revenue fund. All money received by the corporation, including money generated from the use of the conference and service center, except money generated from the use of the center by the Minnesota trade division and by the sale of the assets or ownership of the corporation under section 44A.12, must be deposited in the account. Money in the account including interest earned is appropriated to the board and must be used exclusively for corporation purposes. Any money remaining in the account after sale of the assets or ownership of the corporation under section 44A.12 shall revert to the general fund.

Sec. 23. [44A.12] [PRIVATIZATION OF CORPORATION.]

Subdivision 1. [SALE OF CORPORATION.] The board shall privatize the corporation through a sale of the assets or ownership of the corporation, on or before December 31, 1993.

Subd. 2. [REQUESTS FOR PROPOSALS.] The board shall solicit proposals to privatize the corporation under subdivision 1.

Subd. 3. [EVALUATION FACTORS.] Proposals shall be evaluated according to, but not limited to, the following factors:

(1) the ability of the proposed buyer to maintain the mission and vision of the world trade center;

(2) the price offered by the proposed buyer for the assets or ownership of the corporation;

(3) the extent to which the proposed buyer will assume any liabilities and obligations of the corporation;

(4) the ability of the proposed buyer to provide the capital needed for continuing development, promotion and marketing of world trade center programs, services, and business activities; and

(5) the ability of the proposed buyer to maintain and expand employment in the state of Minnesota using the assets or ownership purchased from the corporation.

Subd. 4. [EVALUATION METHODS.] The board, in conjunction with the commissioner of the department of administration, shall establish:

(1) the relative importance of each factor in subdivision 3; and

(2) other procedures to be used to review and evaluate proposals.

Subd. 5. [DISTRIBUTION OF PROCEEDS.] The proceeds of the sale must be applied in the following order:

(1) any liabilities and obligations of the corporation must be paid, satisfied, or discharged or adequate provision must be made to do so; and

(2) any remaining proceeds must be deposited in the general fund.

Subd. 6. [APPROVAL.] A final agreement for sale under this section is not effective until it has been approved by the board of the

World Trade Center Corporation and the commissioner of administration.

Sec. 24. Minnesota Statutes 1991 Supplement, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

(1) for filing certificate of incorporation $25 and amendments thereto, $10;

(2) for filing annual statements, $15;

(3) for each annual certificate of authority, $15;

(4) for filing bylaws $25 and amendments thereto, $10.

(b) by other domestic and foreign companies including fraternals and reciprocal exchanges:

(1) for filing certified copy of certificate of articles of incorporation, $100;

(2) for filing annual statement, $225;

(3) for filing certified copy of amendment to certificate or articles of incorporation, $100;

(4) for filing bylaws, $75 or amendments thereto, $75;

(5) for each company's certificate of authority, $575, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, ~~$15~~ $25;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and $2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, $575;

(4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of commerce, as attorney for service of process upon any nonresident agent or insurance company, including reciprocal exchanges, $15 plus the cost of effectuating service by certified mail, which amount must be paid by the party serving the notice and may be taxed as other costs in the action;

(5) for valuing the policies of life insurance companies, one cent per $1,000 of insurance so valued, provided that the fee shall not exceed $13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(6) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, $50;

(7) for issuing an initial license to an individual agent, ~~$25~~ $30 per license, for issuing an initial agent's license to a partnership or corporation, ~~$50~~ $100, and for issuing an amendment (variable annuity) to a license, ~~$25~~ $50, and for renewal of amendment, $25;

(8) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit $5 and all other insurers shall remit $3;

(9) for renewing an individual agent's license, ~~$25~~ $30 per year per license, and for renewing a license issued to a corporation or partnership, ~~$50~~ $60 per year;

(10) for issuing and renewing a surplus lines agent's license, ~~$150~~ $250;

(11) for issuing duplicate licenses, ~~$5~~ $10;

(12) for issuing licensing histories, ~~$10~~ $20;

(13) for filing forms and rates, $50 per filing;

(14) for annual renewal of surplus lines insurer license, $300.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 25. Minnesota Statutes 1990, section 60A.1701, subdivision 5, is amended to read:

Subd. 5. [POWERS OF THE ADVISORY TASK FORCE.] (a) Applications for approval of individuals responsible for monitoring course offerings must be submitted to the commissioner on forms prescribed by the commissioner and must be accompanied by a fee of not more than ~~$50~~ $100 payable to the state of Minnesota for deposit in the general fund. A fee of ~~$5~~ $10 for each hour or fraction of one hour of course approval sought must be forwarded with the application for course approval. If the advisory task force is created, it shall make recommendations to the commissioner regarding the accreditation of courses sponsored by institutions, both public and private, which satisfy the criteria established by this section, the number of credit hours to be assigned to the courses, and rules which may be promulgated by the commissioner. The advisory task force shall seek out and encourage the presentation of courses.

(b) If the advisory task force is created, it shall make recommendations and provide subsequent evaluations to the commissioner regarding procedures for reporting compliance with the minimum education requirement.

(c) The advisory task force shall recommend the approval or disapproval of professional designation examinations that meet the criteria established by this section and the number of continuing education credit hours to be awarded for passage of the examination. In order to be approved, a professional designation examination must:

(1) lead to a recognized insurance or financial planning professional designation used by agents; and

(2) conclude with a written examination that is proctored and graded.

Sec. 26. Minnesota Statutes 1990, section 72B.04, subdivision 10, is amended to read:

Subd. 10. [FEES.] A fee of ~~$20~~ $40 is imposed for each initial license or temporary permit and ~~$20~~ $25 for each renewal thereof or amendment thereto. A fee of $20 is imposed for each examination taken. A fee of $20 is imposed for the registration of each nonlicensed adjuster who is required to register under section 72B.06. All fees shall be transmitted to the commissioner and shall be payable to the state treasurer. If a fee is paid for an examination and if within one year from the date of that payment no written request for a refund is received by the commissioner or the examination for which the fee was paid is not taken, the fee is forfeited to the state of Minnesota.

Sec. 27. Minnesota Statutes 1990, section 80A.28, subdivision 2, is amended to read:

Subd. 2. Every applicant for an initial or renewal license shall pay a filing fee of $200 in the case of a broker-dealer, $50 in the case of an agent, and $100 in the case of an investment adviser. When an application is denied or withdrawn, the filing fee shall be retained. A licensed agent who has terminated employment with one broker-dealer shall, before beginning employment with another broker-dealer, pay a transfer fee of ~~$20~~ $25.

Sec. 28. Minnesota Statutes 1990, section 82.21, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] The following fees shall be paid to the commissioner:

(a) A fee of ~~$50~~ $100 for each initial individual broker's license, and a fee of ~~$25~~ $50 for each annual renewal thereof;

(b) A fee of ~~$25~~ $50 for each initial salesperson's license, and a fee of ~~$10~~ $20 for each annual renewal thereof;

(c) A fee of ~~$25~~ $55 for each initial real estate closing agent license, and a fee of ~~$10~~ $30 for each annual renewal;

(d) A fee of ~~$50~~ $100 for each initial corporate or partnership license, and a fee of ~~$25~~ $50 for each annual renewal thereof;

(e) A fee not to exceed $40 per year for payment to the education, research and recovery fund in accordance with section 82.34;

(f) A fee of ~~$10~~ $20 for each transfer;

(g) A fee of ~~$25~~ $50 for a corporation or partnership name change;

(h) A fee of ~~$5~~ $10 for an agent name change;

(i) A fee of ~~$10~~ $20 for a license history;

(j) A fee of ~~$5~~ $10 for a duplicate license; ~~and~~

(k) A fee of $50 for license reinstatement;

(l) A fee of $20 for reactivating a corporate or partnership license without land;

(m) A fee of $100 for course coordinator approval; and

(n) A fee of ~~$5~~ $10 for each hour or fraction of one hour of course approval sought.

Sec. 29. Minnesota Statutes 1990, section 82B.09, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] The following fees must be paid to the commissioner:

(1) a fee of ~~$50~~ $100 for each initial individual real estate appraiser's license and a fee of ~~$25~~ $50 for each annual renewal;

(2) a fee of ~~$5~~ $10 for a change in personal name or trade name or personal address or business location;

(3) a fee of $10 for a license history; ~~and~~

(4) a fee of ~~$20~~ $25 for a duplicate license;

(5) a fee of $100 for appraiser course coordinator approval; and

(6) a fee of $10 for each hour or fraction of one hour of course approval sought.

Sec. 30. Minnesota Statutes 1990, section 138.56, is amended by adding a subdivision to read:

Subd. 18. [DESIGNATION.] The former Sibley county courthouse located on land owned by the city of Henderson in Sibley county is designated as the Joseph R. Brown historical interpretive center.

Sec. 31. Minnesota Statutes 1990, section 169.01, subdivision 55, is amended to read:

Subd. 55. [IMPLEMENT OF HUSBANDRY.] (a) "Implement of husbandry" means every vehicle designed and adapted exclusively for agricultural, horticultural, or livestock-raising operations or for lifting or carrying an implement of husbandry and in either case not subject to registration if used upon the highways.

(b) A towed vehicle meeting the description in paragraph (a) is an implement of husbandry without regard to whether the vehicle is towed by an implement of husbandry or by a registered motor vehicle.

Sec. 32. Minnesota Statutes 1990, section 204B.11, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT; DISHONORED CHECKS; CONSEQUENCES.] Except as provided by subdivision 2, a filing fee shall be paid by each candidate who files an affidavit of candidacy. The fee shall be paid at the time the affidavit is filed. The amount of the filing fee shall vary with the office sought as follows:

(a) for the office of governor, lieutenant governor, attorney general, state auditor, state treasurer, secretary of state, representative in congress, judge of the supreme court, judge of the court of appeals, judge of the district court, or judge of the county municipal court of Hennepin county, ~~$200~~ $300;

(b) for the office of senator in congress, ~~$300~~ $400;

(c) for office of senator or representative in the legislature, ~~$75~~ $100;

(d) for a county office, $50; and

(e) for the office of soil and water conservation district supervisor, $20.

For the office of presidential elector, and for those offices for which no compensation is provided, no filing fee is required.

The filing fees received by the county auditor shall immediately be paid to the county treasurer. The filing fees received by the secretary of state shall immediately be paid to the state treasurer.

When an affidavit of candidacy has been filed with the appropriate filing officer and the requisite filing fee has been paid, the filing fee shall not be refunded. If a candidate's filing fee is paid with a check, draft, or similar negotiable instrument for which sufficient funds are not available or that is dishonored, notice to the candidate of the worthless instrument must be sent by the filing officer via registered mail no later than immediately upon the closing of the filing deadline with return receipt requested. The candidate will have five days from the time the filing officer receives proof of receipt to issue a check or other instrument for which sufficient funds are available. The candidate issuing the worthless instrument is liable for a service charge pursuant to section 332.50. If adequate payment is not made, the name of the candidate must not appear on any official ballot and the candidate is liable for all costs incurred by election officials in removing the name from the ballot.

Sec. 33. Minnesota Statutes 1990, section 204B.27, subdivision 2, is amended to read:

Subd. 2. [ELECTION LAW AND INSTRUCTIONS.] The secretary of state shall prepare and publish a volume containing all state general laws relating to elections. The attorney general shall provide annotations to the secretary of state for this volume. On or before July 1 of every even numbered year the secretary of state shall furnish to the county auditors and municipal clerks enough copies of this volume so that each county auditor and municipal clerk will have at least one copy. ~~The secretary of state shall prepare~~

~~an extract of this volume containing all the election laws related to the duties of election judges. On or before August 1 of every even-numbered year, the secretary of state shall furnish to the county auditors and municipal clerks enough copies of this extract so that each election precinct will have at least one copy. The secretary of state shall determine the manner in which the volume and extract are distributed.~~ The secretary of state may prepare and transmit to the county auditors and municipal clerks detailed written instructions for complying with election laws relating to the conduct of elections, conduct of voter registration and voting procedures.

Sec. 34. Minnesota Statutes 1990, section 204D.11, subdivision 1, is amended to read:

Subdivision 1. [WHITE BALLOT; RULES; ~~REIMBURSEMENT.~~] The names of the candidates for all partisan offices voted on at the state general election shall be placed on a single ballot printed on white paper which shall be known as the "white ballot." This ballot shall be prepared by the county auditor subject to the rules of the secretary of state. ~~The state shall contribute to the cost of preparing the white ballot and the envelopes required for the returns of that ballot.~~ The secretary of state shall adopt rules for preparation and time of delivery of the white ballot ~~and for establishing a basis for distributing to the counties the money appropriated by the state for white ballot costs. The appropriation shall be available both years of the biennium and shall be used for all state general and special elections. The secretary of state shall report to the chairs of the senate finance and house appropriations committees on all money used for special elections~~.

Sec. 35. Minnesota Statutes 1990, section 204D.11, subdivision 2, is amended to read:

Subd. 2. [PINK BALLOTS.] Amendments to the state constitution shall be placed on a ballot printed on pink paper which shall be known as the "pink ballot." ~~The pink ballot shall be prepared by the secretary of state.~~

Sec. 36. Minnesota Statutes 1991 Supplement, section 240.13, subdivision 5, is amended to read:

Subd. 5. [PURSES.] (a) From the amounts deducted from all pari-mutuel pools by a licensee, an amount equal to not less than the following percentages of all money in all pools must be set aside by the licensee and used for purses for races conducted by the licensee, provided that a licensee may agree by contract with an organization representing a majority of the horsepersons racing the breed involved to set aside amounts in addition to the following percentages:

(1) for live races conducted at a class A facility, and for races that

are part of full racing card simulcasting or full racing card telerace simulcasting that takes place within the time period of the live races, 8.4 percent;

(2) for simulcasts and telerace simulcasts conducted during the racing season other than as provided for in clause (1), 50 percent of the takeout remaining after deduction for taxes on pari-mutuel pools, payment to the breeders fund, and payment to the sending out-of-state racetrack for receipt of the signal; and

(3) for simulcasts and telerace simulcasts conducted outside of the racing season, 25 percent of the takeout remaining after deduction for the state pari-mutuel tax, payment to the breeders fund, payment to the sending out-of-state racetrack for receipt of the signal and, before January 1, 2005, a further deduction of eight percent of all money in all pools; provided, however, that in the event that wagering on simulcasts and telerace simulcasts outside of the racing season exceeds $125 million in any calendar year, the amount set aside for purses by this formula is increased to 30 percent on amounts between $125,000,000 and $150,000,000 wagered; 40 percent on amounts between $150,000,000 and $175,000,000 wagered; and 50 percent on amounts in excess of $175,000,000 wagered. In lieu of the eight percent deduction, a deduction as agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing at the licensee's class A facility during the preceding 12 months, is allowed after December 31, 2004.

The commission may by rule provide for the administration and enforcement of this subdivision. The deductions for payment to the sending out-of-state racetrack must be actual, except that when there exists any overlap of ownership, control, or interest between the sending out-of-state racetrack and the receiving licensee, the deduction must not be greater than three percent unless agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races during the existing racing meeting or, if outside of the racing season, during the most recent racing meeting.

In lieu of the amount the licensee must pay to the commission for deposit in the Minnesota breeders fund under section 240.15, subdivision 1, the licensee shall pay 5-1/2 percent of the takeout from all pari-mutuel pools generated by wagering at the licensee's facility on full racing card simulcasts and full racing card telerace simulcasts of races not conducted in this state.

(b) From the money set aside for purses, the licensee shall pay to the horseperson's organization representing the majority of the horsepersons racing the breed involved and contracting with the licensee with respect to purses and the conduct of the racing meetings and providing representation, benevolent programs, benefits, and services for horsepersons and their on-track employees, an

amount, sufficient to perform these services, as may be determined by agreement by the licensee and the horseperson's organization. The amount paid may be deducted only from the money set aside for purses to be paid in races for the breed represented by the horseperson's organization. With respect to racing meetings where more than one breed is racing, the licensee may contract independently with the horseperson's organization representing each breed racing.

(c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization representing the majority of the horsepersons racing a breed at a meeting, and the members thereof, may agree to withhold horses during a meeting.

(d) Money set aside for purses from wagering, during the racing season, on simulcasts and telerace simulcasts must be used for purses for live races conducted at the licensee's class A facility during the same racing season, over and above the 8.4 percent purse requirement or any higher requirement to which the parties agree, for races conducted in this state. Money set aside for purses from wagering, outside of the racing season, on simulcasts and telerace simulcasts must be for purses for live races conducted at the licensee's class A facility during the next racing season, over and above the 8.4 percent purse requirement or any higher requirement to which the parties agree, for races conducted in this state.

(e) Money set aside for purses from wagering on simulcasts and telerace simulcasts must be used for purses for live races involving the same breed involved in the simulcast or telerace simulcast except that money set aside for purses and payments to the breeders fund from wagering on full racing card simulcasts and full racing card telerace simulcasts of races not conducted in this state, occurring during a live mixed meet, must be allotted to the purses and breeders fund for each breed participating in the mixed meet in the same proportion that the number of live races run by each breed bears to the total number of live races conducted during the period of the mixed meet.

(f) The allocation of money set aside for purses to particular racing meets may be adjusted, relative to overpayments and underpayments, by contract between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed involved at the licensee's facility.

(g) Subject to the provisions of this chapter, money set aside from pari-mutuel pools for purses must be for the breed involved in the race that generated the pool, except that if the breed involved in the race generating the pari-mutuel pool is not racing in the current racing meeting, or has not raced within the preceding 12 months at the licensee's class A facility, money set aside for purses ~~must~~ may be distributed proportionately to those breeds that have run during the preceding 12 months or paid to the commission and used for purses

or to promote racing for the breed involved in the race generating the pari-mutuel pool, or both, in a manner prescribed by the commission.

Sec. 37. Minnesota Statutes 1991 Supplement, section 240.13, subdivision 6, is amended to read:

Subd. 6. [SIMULCASTING.] The commission may permit an authorized licensee to conduct simulcasting or telerace simulcasting at the licensee's facility on any day authorized by the commission. All simulcasts and telerace simulcasts must comply with the Interstate Horse Racing Act of 1978, United States Code, title 15, sections 3001 to 3007. In addition to teleracing programs featuring live racing conducted at the licensee's class A facility, the class E licensee may conduct not more than seven teleracing programs per week during the racing season, unless additional telerace simulcasting is authorized by the director and approved by the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races at the licensee's class A facility during the preceding 12 months. The commission may not authorize any day for simulcasting at a class A facility during the racing season, and a licensee may not be allowed to transmit out-of-state telecasts of races the licensee conducts, unless the licensee has obtained the approval of the horsepersons' organization representing the majority of the horsepersons racing the breed involved at the licensed racetrack during the preceding 12 months. The licensee may pay fees and costs to an entity transmitting a telecast of a race to the licensee for purposes of conducting pari-mutuel wagering on the race. The licensee may deduct fees and costs related to the receipt of televised transmissions from a pari-mutuel pool on the televised race, provided that one-half of any amount recouped in this manner must be added to the amounts required to be set aside for purses.

With the approval of the commission and subject to the provisions of this subdivision, a licensee may transmit telecasts of races it conducts, for wagering purposes, to locations outside the state, and the commission may allow this to be done on a commingled pool basis.

Except as otherwise provided in this section, simulcasting and telerace simulcasting may be conducted on a separate pool basis or, with the approval of the commission, on a commingled pool basis. All provisions of law governing pari-mutuel betting apply to simulcasting and telerace simulcasting except as otherwise provided in this subdivision or in the commission's rules. If pools are commingled, wagering at the licensed facility must be on equipment electronically linked with the equipment at the licensee's class A facility or with the sending racetrack via the totalizator computer at the licensee's class A facility. Subject to the approval of the commission, the types of betting, takeout, and distribution of winnings on commingled pari-mutuel pools are those in effect at the sending

racetrack. Breakage for pari-mutuel pools on a televised race must be calculated in accordance with the law or rules governing the sending racetrack for these pools, and must be distributed in a manner agreed to between the licensee and the sending racetrack. Notwithstanding subdivision 7 and section 240.15, subdivision 5, the commission may approve procedures governing the definition and disposition of unclaimed tickets that are consistent with the law and rules governing unclaimed tickets at the sending racetrack. For the purposes of this section, "sending racetrack" is either the racetrack outside of this state where the horse race is conducted or, with the consent of the racetrack, an alternative facility that serves as the racetrack for the purpose of commingling pools.

If there is more than one class B licensee conducting racing within the seven-county metropolitan area, simulcasting and telerace simulcasting may be conducted only on races run by a breed that ran at the licensee's class A facility within the 12 months preceding the event. ~~That portion of the takeout allocated for purses from pari-mutuel pools generated by wagering on standardbreds must be set aside and must be paid to the racing commission and used for purses as otherwise provided by this section or to promote standardbred racing or both, in a manner prescribed by the commission. In the event that a licensee conducts live standardbred racing, pools generated by live, simulcast, or telerace simulcasting at the licensee's facilities on standardbred racing are subject to the purse set-aside requirements otherwise provided by law.~~

Contractual agreements between licensees and horsepersons' organizations entered into before June 5, 1991, regarding money to be set aside for purses from pools generated by simulcasts at a class A facility, are controlling regarding purse requirements through the end of the 1992 racing season.

Sec. 38. Minnesota Statutes 1990, section 240.14, subdivision 3, is amended to read:

Subd. 3. [COUNTY FAIR RACING DAYS.] The commission may assign to a class D licensee the following racing days:

(1) those racing days, not to exceed ten racing days, that coincide with the days on which the licensee's county fair is running; and

(2) additional racing days~~, not to exceed ten racing days, immediately before or after the days on which the licensee's county fair is running.~~

~~In no event shall the number of racing days assigned by the commission exceed 20 days.~~

~~The commission may not assign any days before July 1, 1989, as racing days to a class D licensee.~~

Sec. 39. Minnesota Statutes 1991 Supplement, section 240.15, subdivision 6, is amended to read:

Subd. 6. [DISPOSITION OF PROCEEDS.] The commission shall distribute all money received under this section, and all money received from license fees and fines it collects, as follows: all money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 240.18 except that all money generated by full racing card simulcasts, or full racing card telerace simulcasts of races not conducted in this state, must be distributed as provided in section 240.18, ~~clause (2), paragraphs (a), (b), and (c)~~ subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3. Revenue from an admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. All other revenues received under this section by the commission, and all license fees, fines, and other revenue it receives, must be paid to the state treasurer for deposit in the general fund.

Sec. 40. Minnesota Statutes 1991 Supplement, section 240.18, is amended by adding a subdivision to read:

Subd. 3a. [OTHER CATEGORIES.] Available money apportioned to breeds other than breeds contained in subdivisions 2 and 3 must be distributed as financial incentives to encourage horse racing and horse breeding for such breeds.

Sec. 41. Minnesota Statutes 1990, section 298.221, is amended to read:

298.221 [RECEIPTS FROM CONTRACTS; APPROPRIATION.]

(a) All moneys paid to the state of Minnesota pursuant to the terms of any contract entered into by the state under authority of Laws 1941, chapter 544, section 4, or of said section as amended and any fees which may, in the discretion of the commissioner of iron range resources and rehabilitation, be charged in connection with any project pursuant to that section as amended, shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation board account in the special revenue fund and are hereby appropriated for the purposes of section 298.22.

(b) Notwithstanding section 7.09, merchandise may be accepted by the commissioner of the iron range resources and rehabilitation board for payment of advertising contracts if the commissioner determines that the merchandise can be used for special event prizes or mementos at facilities operated by the board.

Sec. 42. Minnesota Statutes 1990, section 299E.01, subdivision 1, is amended to read:

Subdivision 1. A division in the department of public safety to be known as the capitol complex security division is ~~hereby created,~~ under the supervision and control of the director of capitol complex security, who must be a member of the state patrol and to whom ~~shall be~~ are assigned the duties and responsibilities described in this section. The commissioner may place the director's position in the unclassified service if the position meets the criteria of section 43A.08, subdivision 1a.

Sec. 43. Minnesota Statutes 1990, section 340A.301, subdivision 6, is amended to read:

Subd. 6. [FEES.] The annual fees for licenses under this section are as follows:

(a) Manufacturers (except as provided in clauses (b) and (c))	~~$7,500~~	15,000
Duplicates	$3,000	
(b) Manufacturers of wines of not more than 25 percent alcohol by volume	$ 500	
(c) Brewers other than those described in clause (d)	~~$1,250~~	2,500
(d) Brewers who also hold a retail on-sale license and who manufacture fewer than 2,000 barrels of malt liquor in a year, the entire production of which is solely for consumption on tap on the licensed premises	$ ~~250~~	500
(e) Wholesalers (except as provided in clauses (f), (g), and (h))	~~$7,500~~	15,000
Duplicates	$3,000	
(f) Wholesalers of wines of not more than 25 percent alcohol by volume	$ ~~750~~	2,000
(g) Wholesalers of intoxicating malt liquor	$ ~~300~~	600
Duplicates	$ ~~15~~	25
(h) Wholesalers of nonintoxicating malt liquor	$ 10	

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

Sec. 44. Minnesota Statutes 1990, section 340A.302, subdivision 3, is amended to read:

Subd. 3. [FEES.] Annual fees for licenses under this section are as follows:

Importers of distilled spirits, wine, or ethyl alcohol	~~$300~~	600
Importers of malt liquor	~~$200~~	800

Sec. 45. Minnesota Statutes 1991 Supplement, section 340A.311, is amended to read:

340A.311 [BRAND REGISTRATION.]

(a) A brand of intoxicating liquor or nonintoxicating malt liquor may not be manufactured, imported into, or sold in the state unless the brand label has been registered with and approved by the commissioner. A brand registration must be renewed every three years in order to remain in effect. The fee for an initial brand registration is ~~$20~~ $30. The fee for brand registration renewal is $20. The brand label of a brand of intoxicating liquor or nonintoxicating malt liquor for which the brand registration has expired, is conclusively deemed abandoned by the manufacturer or importer.

(b) In this section "brand" and "brand label" include trademarks and designs used in connection with labels.

(c) The label of any brand of wine or intoxicating or nonintoxicating malt beverage may be registered only by the brand owner or authorized agent. No such brand may be imported into the state for sale without the consent of the brand owner or authorized agent. This section does not limit the provisions of section 340A.307.

Sec. 46. Minnesota Statutes 1990, section 340A.315, subdivision 1, is amended to read:

Subdivision 1. [LICENSES.] The commissioner may issue a farm winery license to the owner or operator of a farm winery located within the state and producing table or sparkling wines. Licenses may be issued and renewed for an annual fee of ~~$25~~ $50, which is in lieu of all other license fees required by this chapter.

Sec. 47. Minnesota Statutes 1991 Supplement, section 340A.316, is amended to read:

340A.316 [SACRAMENTAL WINE.]

The commissioner may issue licenses for the importation and sale of wine exclusively for sacramental purposes. The holder of a sacramental wine license may sell wine only to a rabbi, priest, or

minister of a church, or other established religious organization, or individual members of a religious organization who conduct ceremonies in their homes, if the purchaser certifies in writing that the wine will be used exclusively for sacramental purposes in religious ceremonies. The annual fee for a sacramental wine license is ~~$25~~ $50.

A rabbi, priest, or minister of a church or other established religious organization may import wine exclusively for sacramental purposes without a license.

Sec. 48. Minnesota Statutes 1990, section 340A.317, subdivision 2, is amended to read:

Subd. 2. [LICENSE REQUIRED.] All brokers and their employees must obtain a license from the commissioner. The annual license fee for a broker is ~~$300~~ $600, for an employee of a broker the license fee is ~~$12~~ $20. An application for a broker's license must be accompanied by a written statement from the distillery, winery, or importer the applicant proposes to represent verifying the applicant's contractual arrangement, and must contain a statement that the distillery, winery, or importer is responsible for the actions of the broker. The license shall be issued for one year. The broker, or employee of the broker may promote a vendor's product and may call upon licensed retailers to insure product identification, give advance notice of new products or product changes, and share other pertinent market information. The commissioner may revoke or suspend for up to 60 days a broker's license or the license of an employee of a broker if the broker or employee has violated any provision of this chapter, or a rule of the commissioner relating to alcoholic beverages. The commissioner may suspend for up to 60 days, the importation license of a distillery or winery on a finding by the commissioner that its broker or employee of its broker has violated any provision of this chapter, or rule of the commissioner relating to alcoholic beverages.

Sec. 49. Minnesota Statutes 1990, section 340A.408, subdivision 4, is amended to read:

Subd. 4. [LAKE SUPERIOR TOUR BOATS; COMMON CARRIERS.] (a) The annual license fee for licensing of Lake Superior tour boats under section 340A.404, subdivision 8, shall be $1,000.

(b) The annual license fee for common carriers licensed under section 340A.407 is:

(1) ~~$25~~ $50 for nonintoxicating malt liquor, and ~~$2~~ $20 for a duplicate license; and

(2) ~~$100~~ $200 for intoxicating liquor, and ~~$10~~ $20 for a duplicate license.

Sec. 50. Minnesota Statutes 1991 Supplement, section 340A.504, subdivision 3, is amended to read:

Subd. 3. [INTOXICATING LIQUOR; SUNDAY SALES; ON-SALE.] (a) A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 12:00 noon on Sundays and 1:00 a.m. on Mondays.

(b) The governing body of a municipality may after one public hearing by ordinance permit a restaurant, hotel, bowling center, or club to sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 10:00 a.m. on Sundays and 1:00 a.m. on Mondays, provided that the licensee is in conformance with the Minnesota clean air act.

(c) An establishment serving intoxicating liquor on Sundays must obtain a Sunday license. The license must be issued by the governing body of the municipality for a period of one year, and the fee for the license may not exceed $200.

(d) A city may issue a Sunday intoxicating liquor license only if authorized to do so by the voters of the city voting on the question at a general or special election. A county may issue a Sunday intoxicating liquor license in a town only if authorized to do so by the voters of the town as provided in paragraph (e). A county may issue a Sunday intoxicating liquor license in unorganized territory only if authorized to do so by the voters of the election precinct that contains the licensed premises, voting on the question at a general or special election.

(e) An election conducted in a town on the question of the issuance by the county of Sunday sales licenses to establishments located in the town must be held on the day of the annual election of town officers.

(f) Voter approval is not required for licenses issued by the metropolitan airports commission or common carrier licenses issued by the commissioner. Common carriers serving intoxicating liquor on Sunday must obtain a Sunday license from the commissioner at an annual fee of $50, plus ~~$5~~ $20 for each duplicate.

Sec. 51. Minnesota Statutes 1990, section 345.32, is amended to read:

345.32 [PROPERTY HELD BY BANKING OR FINANCIAL ORGANIZATIONS OR BY BUSINESS ASSOCIATIONS.]

The following property held or owing by a banking or financial organization or by a business association is presumed abandoned:

(a) Any demand, savings or matured time deposit made in this state with a banking organization, together with any interest or dividend thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has, within ~~five~~ three years:

(1) increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest; or

(2) corresponded in writing with the banking organization concerning the deposit; or

(3) otherwise indicated an interest in the deposit as evidenced by a memorandum on file with the banking organization; or

(4) received tax reports or regular statements of the deposit by mail from the banking or financial organization regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the banking or financial organization and not returned; or

(5) acted as provided in paragraphs (1), (2), (3) and (4) of this subsection in regard to another demand, savings or time deposit made with the banking or financial organization.

(b) Any funds or dividends deposited or paid in this state toward the purchase of shares or other interest in a business association where the stock certificates or other evidence of interest in the business have not been issued, or in a financial organization, and any interest or dividends thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has within ~~five~~ three years:

(1) increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends; or

(2) corresponded in writing with the financial organization concerning the funds or deposit; or

(3) otherwise indicated an interest in the funds or deposit as evidenced by a memorandum on file with the financial organization; or

(4) received tax reports or regular statements of the deposit or accounting by mail from the financial organization or business

association regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the financial organization or business association and not returned.

(c) Any sum, excluding contracted service charges which may be deducted for a period not to exceed one year, payable on checks certified in this state or on written instruments issued in this state, or issued in any other state the law in which for any reason does not apply to the abandonment of sums payable on checks certified in that state or written instruments issued in that state, on which a banking or financial organization or business association is directly liable, including, by way of illustration but not of limitation, drafts, money orders and traveler's checks, that has been outstanding for more than ~~five~~ three years from the date it was payable, or from the date of its issuance if payable on demand, or, in the case of traveler's checks, has been outstanding for more than 15 years from the date of its issuance, or, in the case of money orders, has been outstanding for more than seven years from the date of its issuance, unless the owner has within ~~five~~ three years, or within 15 years in the case of traveler's checks, or within seven years in the case of money orders, corresponded in writing with the banking or financial organization or business association concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association.

(d) Any funds or other personal property, tangible or intangible, removed from a safe deposit box or any other safekeeping repository in this state on which the lease or rental period has expired due to nonpayment of rental charges or other reason, that have been unclaimed by the owner for more than five years from the date on which the lease or rental period expired.

(1) If the amount due for the use or rental of a safe deposit box has remained unpaid for a period of six months, the bank, savings bank, trust company, savings and loan, or safe deposit company shall, within 60 days of the expiration of that period, send by certified mail, addressed to the renter or lessee of the safe deposit box, directed to the address standing on its books, a written notice that, if the amount due for the use or rental of the safe deposit box is not paid within 60 days after the date of the mailing of the notice, it will cause the safe deposit box to be opened and its contents placed in one of its general safe deposit boxes.

(2) Upon the expiration of 60 days from the date of mailing the notice, and in default of payment within the 60 days of the amount due for the use or rental of the safe deposit box, the bank, savings bank, trust company, savings and loan, or safe deposit company, in the presence of its president, vice-president, secretary, treasurer, assistant secretary, assistant treasurer or superintendent, or such other person as specifically designated by its board of directors, and of a notary public not in its employ, shall cause the safe deposit box

to be opened and the contents thereof, to be removed and sealed by the notary public in a package, in which the notary public shall enclose a detailed description of the contents of the safe deposit box and upon which the notary public shall mark the name of the renter or lessee and, in the presence of one of the bank officers listed above, the notary public shall place the package in one of the bank's general safe deposit boxes and set out the proceedings in a certificate under the notary public's official seal, which shall be delivered to the bank, savings bank, trust company, savings and loan, or safe deposit company.

(3) The bank, savings bank, trust company, savings and loan, or safe deposit company shall hold the contents of abandoned safe deposit boxes until they are claimed by the owner or the bank turns them over to the commissioner pursuant to this chapter.

Sec. 52. Minnesota Statutes 1990, section 345.33, is amended to read:

345.33 [UNCLAIMED FUNDS HELD BY LIFE INSURANCE CORPORATIONS.]

(a) Unclaimed funds, as defined in this section, held and owing by a life insurance corporation shall be presumed abandoned if the last known address, according to the records of the corporation, of the person entitled to the funds is within this state. If a person other than the insured or annuitant is entitled to the funds and no address of such person is known to the corporation or if it is not definite and certain from the records of the corporation what person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the corporation.

(b) "Unclaimed funds," as used in this section, means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than ~~five~~ three years after the moneys became due and payable as established from the records of the corporation under any life or endowment insurance policy or annuity contract which has matured. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and the proceeds thereof are deemed to be due and payable if such policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based, unless the person appearing entitled thereto has within the preceding ~~five~~ three years, (1) assigned, readjusted or paid premiums on the policy, or subjected the policy to loan, or (2) corresponded in writing with the life insurance corporation concerning the policy. Moneys or drafts otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

Sec. 53. Minnesota Statutes 1990, section 345.34, is amended to read:

345.34 [DEPOSITS HELD BY UTILITIES.]

Any deposit held or owing by any utility made by a subscriber ~~after January 1, 1960,~~ to secure payment for, or any sum paid in advance for, utility services to be furnished in this state, excluding any charges that may lawfully be withheld, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than one year after the termination of the services for which the deposit or advance payment was made is presumed abandoned.

Sec. 54. Minnesota Statutes 1990, section 345.35, is amended to read:

345.35 [STOCK AND OTHER INTANGIBLE INTERESTS IN BUSINESS ASSOCIATIONS.]

(a) Except as provided in paragraphs (b) and (e), stock or other intangible ownership interest in a business association, the existence of which is evidenced by records available to the association, is presumed abandoned and, with respect to the interest, the association is the holder, if a dividend distribution or other sum payable as a result of the interest has remained unclaimed by the owner for ~~seven~~ three years and the owner within ~~seven~~ three years has not:

(1) communicated in writing with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest; or

(2) otherwise communicated with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest, as evidenced by a memorandum or other record on file with the association prepared by an employee of the association.

(b) At the expiration of a ~~seven-year~~ three-year period following the failure of the owner to claim a dividend, distribution, or other sum payable to the owner as a result of the interest, the interest is not presumed abandoned unless there have been at least ~~seven~~ three dividends, distributions, or other sums paid during the period, none of which has been claimed by the owner. If ~~seven~~ three dividends, distributions, or other sums are paid during the ~~seven-year~~ three-year period, the period leading to a presumption of abandonment commences on the date payment of the first such unclaimed dividend, distribution, or other sum became due and payable. If ~~seven~~ three dividends, distributions, or other sums are not paid during the presumptive period, the period continues to run until there have

been ~~seven~~ three dividends, distributions, or other sums that have not been claimed by the owner.

(c) The running of the ~~seven-year~~ three-year period of abandonment ceases immediately upon the occurrence of a communication referred to in paragraph (a). If any future dividend, distribution, or other sum payable to the owner as a result of the interest is subsequently not claimed by the owner, a new period of abandonment commences and relates back to the time a subsequent dividend, distribution, or other sum became due and payable.

(d) At the time an interest is presumed abandoned under this section, any dividend, distribution, or other sum then held for or owing to the owner as a result of the interest, and not previously presumed abandoned, is presumed abandoned.

(e) This section does not apply to any stock or other intangible ownership interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as a result of the interest unless the records available to the administrator of the plan show, with respect to any intangible ownership interest not enrolled in the reinvestment plan, that the owner has not within ~~seven~~ three years communicated in any manner described in paragraph (a).

(f) For purposes of this section, stock or other intangible ownership interest in a business association is presumed abandoned if:

(1) it is held or owing by a business association organized under the laws of or created in this state; or

(2) it is held or owing by a business association doing business in this state, but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state.

Sec. 55. Minnesota Statutes 1990, section 345.36, is amended to read:

345.36 [PROPERTY OF BUSINESS ASSOCIATIONS AND BANKING OR FINANCIAL ORGANIZATIONS HELD IN COURSE OF DISSOLUTION.]

All intangible personal property distributable in the course of a voluntary dissolution of a business association, banking organization or financial organization organized under the laws of or created in this state, that is unclaimed by the owner within ~~two years~~ six months after the date for final distribution, is presumed abandoned.

Sec. 56. Minnesota Statutes 1990, section 345.37, is amended to read:

345.37 [PROPERTY HELD BY FIDUCIARIES.]

All intangible personal property and any income or increment thereon, held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within ~~five~~ three years after it becomes payable or distributable, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary if:

(a) the property is held by a banking organization or a financial organization or by a business association organized under the laws of or created in this state; or

(b) it is held by a business association, doing business in this state, but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state; or

(c) it is held in this state by any other person.

Sec. 57. Minnesota Statutes 1990, section 345.38, is amended to read:

345.38 [PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS AND AGENCIES.]

Subdivision 1. All intangible personal property held for the owner by any court, public corporation, public authority or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than ~~five~~ three years is presumed abandoned except as provided in section 524.3-914.

Subd. 2. This section shall not apply to property held for persons while residing in public correctional or other institutions. As to such persons, said property shall be presumed abandoned if it has remained unclaimed by the owner for more than ~~five~~ three years after such residence ceases.

Subd. 3. All intangible personal property held for the owner by any government or political subdivision or agency, that has remained unclaimed by the owner for more than ~~five~~ three years is presumed abandoned and is reportable pursuant to section 345.41, if:

(a) the last known address as shown on the records of the holder of the apparent owner is in this state; or

(b) no address of the apparent owner appears on the records of the holder; and

(1) the last known address of the apparent owner is in this state; or

(2) the holder is domiciled in this state and has not previously transferred the property to the state of the last known address of the apparent owner.

Sec. 58. Minnesota Statutes 1990, section 345.39, is amended to read:

345.39 [MISCELLANEOUS PERSONAL PROPERTY HELD FOR ANOTHER PERSON.]

Subdivision 1. [PRESUMED ABANDONMENT.] All intangible personal property, not otherwise covered by sections 345.31 to 345.60, including any income or increment thereon, but excluding any charges that may lawfully be withheld, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than ~~five~~ three years after it became payable or distributable is presumed abandoned. Property covered by this section includes, but is not limited to: (a) unclaimed ~~wages or~~ worker's compensation; (b) deposits or payments for repair or purchase of goods or services; (c) credit checks or memos, or customer overpayments; (d) unidentified remittances, unrefunded overcharges; (e) unpaid claims, unpaid accounts payable or unpaid commissions; (f) unpaid mineral proceeds, royalties or vendor checks; and (g) credit balances, accounts receivable and miscellaneous outstanding checks. This section does not include money orders.

Subd. 2. [COOPERATIVE PROPERTY.] Notwithstanding subdivision 1, any profit, distribution, or other sum held or owing by a cooperative for or to a participating patron of the cooperative is presumed abandoned only if it has remained unclaimed by the owner for more than seven years after it became payable or distributable.

Subd. 3. [UNPAID COMPENSATION.] Notwithstanding subdivision 1, unpaid compensation for personal services or wages, including wages represented by unpresented payroll checks, owing in the ordinary course of the holder's business that remain unclaimed by the owner for more than one year after becoming payable are presumed abandoned.

Sec. 59. Minnesota Statutes 1990, section 345.42, subdivision 3, is amended to read:

Subd. 3. On or before April 1 of each year, the commissioner ~~shall~~ may mail a notice to each person having an address listed therein who appears to be entitled to property of the value of $25 or more presumed abandoned under sections 345.31 to 345.60. Said notice shall contain:

(a) a statement that, according to a report filed with the commissioner, property is being held to which the addressee appears entitled;

(b) the name and address of the person holding the property and any necessary information regarding changes of name and address of the holder; and

(c) a statement that, if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice, the property will be placed in the custody of the commissioner to whom all further claims must be directed.

Sec. 60. Minnesota Statutes 1991 Supplement, section 349A.10, subdivision 3, is amended to read:

Subd. 3. [LOTTERY OPERATIONS.] (a) The director shall establish a lottery operations account in the lottery fund. The director shall pay all costs of operating the lottery, including payroll costs or amounts transferred to the state treasury for payroll costs, but not including lottery prizes, from the lottery operating account. The director shall credit to the lottery operations account amounts sufficient to pay the operating costs of the lottery.

(b) The director may not credit in ~~any~~ fiscal year 1993 amounts to the lottery operations account which when totaled exceed ~~15~~ 14.5 percent of gross revenue to the lottery fund. The director may not credit in any fiscal year thereafter amounts to the lottery operations account which when totaled exceed 15 percent of gross revenue to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

(c) The director of the lottery may not expend after July 1, 1991, more than 2-3/4 percent of gross revenues in a fiscal year for contracts for the preparation, publication, and placement of advertising.

(d) Except as the director determines, the division is not subject to chapter 16A relating to budgeting, payroll, and the purchase of goods and services.

Sec. 61. Minnesota Statutes 1991 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of $85.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of $85.

The party requesting a trial by jury shall pay $30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, $5, plus 25 cents per page after the first page, and $3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena, $3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, $10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, $7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, $5.

(7) Certificate as to existence or nonexistence of judgments docketed, $5 for each name certified to.

(8) Filing and indexing trade name; ~~or recording notary commission;~~ or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, $5.

(9) For the filing of each partial, final, or annual account in all trusteeships, $10.

(10) For the deposit of a will, $5.

(11) For recording notary commission, $25, of which, notwithstanding subdivision 1a, paragraph (b), $20 must be forwarded to the state treasurer to be deposited in the state treasury and credited to the general fund.

(12) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 62. Minnesota Statutes 1990, section 359.01, subdivision 3, is amended to read:

Subd. 3. [FEES.] The fee for each commission shall not exceed ~~$10~~ $40.

Sec. 63. Minnesota Statutes 1990, section 514.67, is amended to read:

514.67 [INSPECTIONS, EXAMINATIONS, OR OTHER GOVERNMENTAL SERVICES.]

All charges and expenses for any inspection, examination, or other governmental service of any nature now or hereafter authorized or required by law, including services performed by a deputy registrar of motor vehicles in handling an application for registration of a motor vehicle under section 168.33, shall constitute and be a first and prior lien from the date of such inspection, examination, or service upon all property in this state subject to taxation as the property of the person from whom such charges and expenses are by law authorized or required to be collected. No record of such lien shall be deemed necessary, but the same shall be duly presented or proven in any bankruptcy, insolvency, receivership, or other similar proceeding, or be barred thereby.

As used in this section the following words and terms have the following meanings:

(1) "Person" means and includes any natural person in any individual or representative capacity, and any firm, copartnership, corporation, or other association of any nature or kind.

(2) The term "first and prior lien" means a lien equivalent to, and of the same force and effect as a lien for taxes; but any such lien or claim shall be deemed barred unless proceedings to enforce same shall have been commenced within two years from the date when such claim becomes due.

For purposes of this section, the charges and expenses for services

performed by a deputy registrar of motor vehicles in handling an application for registration of a motor vehicle includes the entire amount paid to the deputy registrar for the registration of a motor vehicle, including all license taxes, filing fees, and other fees, charges, and taxes required to be paid for registration of the motor vehicle.

Sec. 64. Minnesota Statutes 1991 Supplement, section 626.861, subdivision 1, is amended to read:

Subdivision 1. [LEVY OF ASSESSMENT.] There is levied a penalty assessment of ~~12~~ 15 percent on each fine imposed and collected by the courts of this state for traffic offenses in violation of chapters 168 to 173 or equivalent local ordinances, other than a fine or forfeiture for a violation of a local ordinance or other law relating to the parking of a vehicle. In cases where the defendant is convicted but a fine is not imposed, or execution of the fine is stayed, the court shall impose a penalty assessment of not less than $5 nor more than $10 when the conviction is for a misdemeanor or petty misdemeanor, and shall impose a penalty assessment of not less than $10 but not more than $50 when the conviction is for a gross misdemeanor or felony. Where multiple offenses are involved, the penalty assessment shall be assessed separately on each offense for which the defendant is sentenced. If imposition or execution of sentence is stayed for all of the multiple offenses, the penalty assessment shall be based upon the most serious offense of which the defendant was convicted. Where the court suspends a portion of a fine, the suspended portion shall not be counted in determining the amount of the penalty assessment unless the offender is ordered to pay the suspended portion of the fine. Suspension of an entire fine shall be treated as a stay of execution for purposes of computing the amount of the penalty assessment.

Sec. 65. Minnesota Statutes 1990, section 626.861, subdivision 3, is amended to read:

Subd. 3. [COLLECTION BY COURT.] After a determination by the court of the amount of the fine or penalty assessment due, the court administrator shall collect the appropriate penalty assessment and transmit it to the county treasurer separately with designation of its origin as a penalty assessment, but with the same frequency as fines are transmitted. Amounts collected under this subdivision shall then be transmitted to the state treasurer for deposit ~~in the general fund~~ for peace officers training, in the same manner as fines collected for the state by a county. The state treasurer shall identify and report to the commissioner of finance all amounts deposited in the general fund under this section.

Sec. 66. Minnesota Statutes 1991 Supplement, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] Receipts from penalty assessments must be credited to ~~the general fund~~ a peace officer training account in the special revenue fund. For fiscal years 1993 and 1994, the peace officers standards and training board shall, and after fiscal year 1994 may, allocate from ~~funds~~ appropriated funds, net of operating expenses, as follows:

~~(a) Up to 30~~ (1) at least 25 percent ~~may be provided~~ for reimbursement to board approved skills courses.; and

~~(b) Up to 15~~ (2) at least 13.5 percent ~~may be used~~ for the school of law enforcement.

~~(c)~~ The balance may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214.

Sec. 67. [REPEALER.]

Minnesota Statutes 1990, section 211A.04, subdivision 2, is repealed. Minnesota Statutes 1991 Supplement, section 97A.485, subdivision 1a, is repealed.

Sec. 68. [EFFECTIVE DATES.]

Section 20 is effective for taxable years after December 31, 1989. Sections 22, 23, 31, and 36 to 40 are effective the day following final enactment.

ARTICLE 4

ENVIRONMENT AND NATURAL RESOURCES

Section 1. [APPROPRIATIONS.]

Unless otherwise indicated, all sums set forth in the columns designated "1992 and 1993 APPROPRIATION CHANGE" are to be added to or reduced from general fund appropriations made by Laws 1991, chapter 254, or other law, for the fiscal years ending June 30, 1992 and June 30, 1993, respectively. Amounts to be reduced are designated by parentheses.

SUMMARY BY FUND

	1992	1993	TOTAL
APPROPRIATION CHANGE	$(4,321,000)	$(5,596,000)	$ (9,917,000)
General-Direct	$(4,879,000)	$(6,278,000)	$(11,157,000)
Environmental	$ 50,000	$ 349,000	$ 399,000
Natural Resources	$ 306,000	$ 281,000	$ 587,000
Game and Fish	$ 42,000	$ 52,000	$ 94,000
Minnesota Resources	$ 160,000	$ -0-	$ 160,000

	APPROPRIATION CHANGE 1992	1993
	$	$
Sec. 2. POLLUTION CONTROL AGENCY		
Subdivision 1. Total Appropriation Change	(599,000)	(324,000)
The amounts in subdivision 1 are distributed among agency programs as specified in the following subdivisions.		
Summary by Fund		
General	(599,000)	(424,000)
Environmental		100,000
The approved environmental fund complement is increased by 18 positions effective July 1, 1992.		
Subd. 2. Water Pollution Control	(186,000)	(52,000)
The appropriation in fiscal year 1992 for grants to local units of government for the clean water partnership program is reduced by $134,000.		
The appropriation in fiscal year 1993 must provide $24,000 for a grant to the city of Garrison for ongoing testing of the sewage system.		

	1992	1993
	$	$
Subd. 3. Groundwater and Solid Waste Pollution Control	(98,000)	(197,000)
The appropriation in fiscal year 1993 for a grant to the department of administration for assistance in funding a central materials recovery facility is reduced by $12,000.		
Subd. 4. Hazardous Waste Pollution Control	(250,000)	(75,000)
Subd. 5. General Support	(65,000)	-0-
Summary by Fund		
General (65,000) (100,000)		
Environmental 100,000		
$100,000 the second year is from the pollution prevention account in the environmental fund.		
Any unencumbered balance of the fiscal year 1992 appropriation authorized in Laws 1991, chapter 347, article 3, section 5, subdivision 1, paragraph (a), shall be available for fiscal year 1993.		
Sec. 3. OFFICE OF WASTE MANAGEMENT	(258,000)	(208,000)
Summary by Fund		
General (308,000) (308,000)		
Environmental 50,000 100,000		
The appropriation for SCORE block grants is not changed by these reductions.		
Sec. 4. ZOOLOGICAL BOARD		(3,628,000)
This reduction is partially offset by a reduction in nondedicated general fund revenue of $3,174,000.		
Board action to increase admission fees effective April 1, 1992, is estimated to increase nondedicated general fund		

	1992	1993
	$	$

revenue by $182,000 in fiscal year 1992.

The approved general fund complement is decreased by 49 positions. The approved special revenue fund complement is increased by 80 positions.

Sec. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation Change	(1,627,000)	(1,153,000)

Summary by Fund

General	(1,975,000)	(1,486,000)
Natural Resources	306,000	281,000
Game and Fish	42,000	52,000

The amounts in subdivision 1 are to be distributed among agency programs as specified in the following subdivisions.

Subd. 2. Mineral Resources Management	(271,000)	(270,000)
Subd. 3. Water Resources Management	(333,000)	(333,000)
Subd. 4. Forest Management	(204,000)	189,000

$204,000 the first year and $771,000 the second year are reduced from the forest management appropriation.

$960,000 in the second year is appropriated exclusively for reforestation under Minnesota Statutes, section 89.002. This appropriation is offset by nondedicated general fund revenues generated by statutory changes in sections 22 and 27, eliminating the sharing of forestry revenue with counties from state forest and consolidated conservation lands. This provision is contingent upon enactment of sections 22 and 27.

	1992	1993
	$	$
Subd. 5. Parks and Recreation Management	(400,000)	195,000

This reduction is estimated to reduce general fund nondedicated receipts by $44,000 in fiscal year 1992.

Hill Annex Mine park will be open and operated with no water pumping in fiscal year 1993 with the revenue receipts of the park and an additional $50,000.

The commissioner shall not utilize appropriations from the general fund for the purpose of hiring or contracting for staff to administer or manage the adopt-a-park program as provided in Minnesota Statutes, section 85.045.

Subd. 6. Trails and Waterways	(39,000)	27,000

The appropriation in fiscal year 1993 must provide $120,000 for construction of shore fishing structure projects on the Mississippi river in South St. Paul and Brooklyn Center.

Subd. 7. Fish and Wildlife Management	17,000	62,000

Summary by Fund

General	(149,000)	(104,000)
Natural Resources	166,000	166,000

$166,000 each year is appropriated from the water recreation account in the natural resources fund for exotic species management. Unobligated funds remaining at the end of the first year do not cancel but are available in the second year.

The appropriation in fiscal year 1993 must provide $44,000 for the construction of barrier reefs on the west traverse bay of Lake of the Woods for

	1992	1993
	$	$
fish habitat improvement.		
Subd. 8. Field Operations Support	(106,000)	(485,000)
Subd. 9. Regional Operations Support	(151,000)	(160,000)
Subd. 10. Special Services and Programs	(120,000)	(138,000)
Subd. 11. Administrative Management Services	160,000	110,000
Summary by Fund		
General	(22,000)	(57,000)
Natural Resources	140,000	115,000
Game and Fish	42,000	52,000
$140,000 the first year and $115,000 the second year are appropriated from the water recreation account in the natural resources fund for watercraft titling.		
$42,000 the first year and $52,000 the second year are appropriated from the game and fish fund for hunting license administration.		
Subd. 12. Wetland Administration	(180,000)	(350,000)
The appropriation in Laws 1991, chapter 354, article 11, section 1, subdivision 2, paragraph (b), is reduced by these amounts.		
Subd. 13.		
The commissioners of transportation and natural resources shall confer and make every reasonable effort to obtain a permanent resolution of the problem of excessive sedimentation and vegetation in the Mississippi river resulting from the construction of a bridge over the river on marked trunk highway No. 10 near the city of Little Falls.		

	1992	1993
	$	$

If the commissioners of transportation and natural resources are unable to reach a mutually agreeable resolution by February 1, 1993, the commissioner of natural resources shall file with the commissioner of transportation, the chair of the house committee on appropriations, and the senate committee on finance, a notification that specifies the project or projects that in the judgment of the commissioner of natural resources must be undertaken to achieve a permanent resolution of the excessive sedimentation and vegetation. The notification must contain an estimate of the total cost of the project or projects.

The department of natural resources shall develop a plan in cooperation with representatives of employee bargaining units for the consolidation, enhancement, and realignment of division, region, and area responsibilities and allocations so that DNR direct services are increased and management and supervisory positions are minimized. A report with specific recommendations shall be submitted to the environment and natural resources division of the house appropriations committee and to the environment and natural resources division of the senate finance committee by January 15, 1993.

Sec. 6. AGRICULTURE

Subdivision 1. Total Appropriation Change	(357,000)	(350,000)
Summary by Fund		
General	(357,000)	(499,000)
Environmental		149,000

The amounts in subdivision 1 are to be distributed among agency programs as specified in the following subdivisions.

	1992	1993
	$	$
Subd. 2. Protection Service	(240,000)	(42,000)
Summary by Fund		
General	(240,000)	(191,000)
Environmental		149,000

$149,000 the second year is from the environmental response, compensation, and compliance account in the environmental fund. The approved complement in the environmental fund is increased by two positions effective July 1, 1992.

Subd. 3. Promotion and Marketing	(36,000)	(105,000)
Subd. 4. Family Farm Services	(67,000)	(240,000)

$2,000,000 from the balance in the special account created in Minnesota Statutes, section 41.61, shall be transferred to the general fund by June 30, 1992.

Authority to charge fees for farm crisis assistance services authorized elsewhere in this legislation is expected to increase nondedicated general fund revenues by $100,000 in fiscal year 1993.

Subd. 5. Administrative Support and Grants	(14,000)	37,000

The appropriation in fiscal year 1993 must provide $50,000 to the commissioner of agriculture for legal challenges to discriminatory aspects of the current federal milk market order system. This amount, in whole or in part, may be used at the discretion of the commissioner as a contribution to the costs of initiating or continuing court challenges in cooperation with Minnesota or regional dairy organizations. The commissioner may use up to an additional $50,000 from the dairy industry unfair trade practices account established under Minnesota Statutes, section 32A.05, subdivision 4.

	1992	1993
	$	$
Sec. 7. CITIZENS COUNCIL ON VOYAGEUR'S NATIONAL PARK	(10,000)	(8,000)
Unencumbered balances remaining at the end of the first year do not cancel but are available for the second year.		
Sec. 8. MINNESOTA/WISCONSIN BOUNDARY AREA COMMISSION		(5,000)
Sec. 9. SCIENCE MUSEUM OF MINNESOTA	(30,000)	(30,000)
Sec. 10. MINNESOTA RESOURCES	160,000	
This appropriation is from the Minnesota future resources fund to the commissioner of natural resources for a research program leading to biological control of Eurasian water milfoil. It is available upon final enactment and is otherwise subject to the provisions of Laws 1991, chapter 254, article 1, section 14.		
As cash flow in the Minnesota future resources fund permits, but no later than June 30, 1993, the commissioner of finance in consultation with the legislative commission on Minnesota resources director, shall transfer $876,000 from the unencumbered balance in the fund to the general fund. This transfer is in addition to the transfer specified in Laws 1991, chapter 254, article 1, section 14, subdivision 15.		
Sec. 11. BOARD OF WATER AND SOIL RESOURCES	(1,100,000)	100,000
The appropriation in Laws 1991, chapter 354, article 11, section 1, subdivision 3, is reduced by $1,100,000.		
$100,000 is appropriated in fiscal year 1993 for a grant to counties for local administration and enforcement of Laws 1991, chapter 354. Each dollar of grant money must be matched by a		

	1992	1993
	$	$

dollar from nonstate funds.

Sec. 12. BOARD OF ANIMAL HEALTH	10,000

This appropriation is to cover the cost of testing turkeys and chickens in Minnesota for avian influenza.

Sec. 13. Minnesota Statutes 1990, section 17.03, is amended by adding a subdivision to read:

Subd. 10. [FARM CRISIS ASSISTANCE. FEES; LIABILITY.] (a) The department may charge a fee for farm crisis assistance services it provides to persons outside of the department.

(b) The state is not liable for the actions of persons under contract with the department who provide farm crisis assistance services as part of their contractual duties. Persons who provide farm crisis assistance are not subject to liability for their actions that are within the scope of their contract. The immunity from liability in this subdivision is in addition to and not a limitation of immunity otherwise accorded to the state and its contractors under law.

(c) Fees collected by the department under this subdivision must be deposited in the general fund.

Sec. 14. Minnesota Statutes 1991 Supplement, section 17.63, is amended to read:

17.63 [REFUND OF FEES.]

(a) Any producer, except a producer of potatoes in area number one, as listed in section 17.54, subdivision 9, or a producer of paddy wild rice, may, by the use of forms to be provided by the commissioner and upon presentation of such proof as the commissioner requires, have the checkoff fee paid pursuant to sections 17.51 to 17.69 fully or partially refunded, provided the checkoff fee was remitted on a timely basis. The request for refund must be received in the office of the commissioner within the time specified in the promotion order following the payment of the checkoff fee. In no event shall these requests for refund be accepted more often than 12 times per year. Refund shall be made by the commissioner and council within 30 days of the request for refund provided that the checkoff fee sought to be refunded has been received. Rules governing the refund of checkoff fees for all commodities shall be formulated by the commissioner, shall be fully outlined in the promotion

order, and shall be available for the information of all producers concerned with the referendum.

(b) The commissioner must allow partial refund requests from corn producers who have checked off and must allow for assignment of payment to the Minnesota corn growers association if the Minnesota corn research and promotion council requests such action by the commissioner.

(c) The Minnesota corn research and promotion council shall not elect to impose membership on any individual producer not requesting a partial refund or assignment of payment to the association.

Sec. 15. Minnesota Statutes 1990, section 18B.26, subdivision 3, is amended to read:

Subd. 3. [APPLICATION FEE.] (a) A registrant shall pay an annual application fee for each pesticide to be registered, and this fee is set at one-tenth of one percent for calendar year 1990 ~~and~~, at one-fifth of one percent for calendar year 1991, and at one-half of one percent for calendar year 1992 and thereafter of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of ~~$150~~ $250 plus an additional one-tenth of one percent for each pesticide for which the United States Environmental Protection Agency, Office of Water, has published a Health Advisory Summary by December 1 of the previous year. The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the application fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the pesticide by the registrant for the preceding calendar year. The fee for disinfectants and sanitizers ~~is $150~~ shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for registration is made. Of the amount collected after calendar year 1990, $600,000 per fiscal year must be credited to the waste pesticide account under section 18B.065, subdivision 5, and the additional amount collected for pesticides with Health Advisory Summaries shall be credited to the agricultural project utilization account under section 116O.13 to be used for pesticide use reduction grants by the agricultural utilization research institute.

(b) An additional fee of $100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) A registrant must annually report to the commissioner the amount and type of each registered pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report and require additional information deemed necessary to determine the amount and type of pesticides annually distributed in the state. The information required shall include the brand name, amount, and formulation of each pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

Sec. 16. Minnesota Statutes 1991 Supplement, section 28A.08, is amended to read:

28A.08 [LICENSE FEES; PENALTIES.]

License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The penalties may be waived by the commissioner.

Type of food handler	License Fee	Penalties: Late Renewal	Penalties: No License
1. Retail food handler			
(a) Having gross sales of only prepackaged nonperishable food of less than $15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	$40	$15	$25
(b) Having under $15,000 gross sales including food preparation or having $15,000 to $50,000 gross sales for the immediately previous license or fiscal year	$55	$15	$25

(c) Having $50,000 to $250,000 gross sales for the immediately previous license or fiscal year	$105	$ 35	$ 75
(d) Having $250,000 to $1,000,000 gross sales for the immediately previous license or fiscal year	$180	$ 50	$100
(e) Having $1,000,000 to $5,000,000 gross sales for the immediately previous license or fiscal year	$500	$100	$175
(f) Having $5,000,000 to $10,000,000 gross sales for the immediately previous license or fiscal year	$700	$150	$300
(g) Having over $10,000,000 gross sales for the immediately previous license or fiscal year	$800	$200	$350
2. Wholesale food handler			
(a) Having gross sales or service of less than $250,000 for the immediately previous license or fiscal year	$200	$ 50	$100
(b) Having $250,000 to $1,000,000 gross sales or service for the immediately previous license or fiscal year	$400	$100	$200
(c) Having $1,000,000 to $5,000,000 gross sales or service for the immediately previous license or fiscal year	$500	$125	$250
(d) Having over $5,000,000 gross sales for the immediately previous license or fiscal year	$575	$150	$300
3. Food broker	$100	$ 30	$ 50
4. Wholesale food processor or manufacturer			
(a) Having gross sales of less than $250,000 for the immediately previous license or fiscal year	$275	$ 75	$150
(b) Having $250,000 to $1,000,000 gross sales for the immediately previous license or fiscal year	$400	$100	$200

(c) Having $1,000,000 to $5,000,000 gross sales for the immediately previous license or fiscal year	$500	$125	$250
(d) Having over $5,000,000 gross sales for the immediately previous license or fiscal year	$575	$150	$300
5. Wholesale food processor of meat or poultry products under supervision of the U. S. Department of Agriculture			
(a) Having gross sales of less than $250,000 for the immediately previous license or fiscal year	$150	$ 50	$ 75
(b) Having $250,000 to $1,000,000 gross sales for the immediately previous license or fiscal year	$225	$ 75	$125
(c) Having $1,000,000 to $5,000,000 gross sales for the immediately previous license or fiscal year	$275	$ 75	$150
(d) Having over $5,000,000 gross sales for the immediately previous license or fiscal year	$325	$100	$175
6. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese	$ 30	$ 10	$ 15
7. Nonresident frozen dairy manufacturer	$200	$ 50	$ 75
8. Wholesale food manufacturer processing less than 70,000 pounds per year of cultured dairy food as defined in section 32.486, subdivision 1, paragraph (b)	$ 30	$ 10	$ 15
9. A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer	$ 50	$ 15	$ 25

Sec. 17. Minnesota Statutes 1991 Supplement, section 41A.09, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS FROM ACCOUNT.] The commissioner of revenue shall make cash payments from the account to producers of ethanol or wet alcohol located in the state. These payments shall apply only to ethanol or wet alcohol fermented in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced on or before June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of wet alcohol on or before June 30, 2000, a payment in cents per gallon calculated by the formula "alcohol purity in percent divided by five," and rounded to the nearest cent per gallon, but not less than 11 cents per gallon. The producer payment for wet alcohol under this section may be paid to either the original producer of wet alcohol or the secondary processor, at the option of the original producer, but not to both.

(c) The total payments from the account to all producers during the period beginning July 1, 1991 and ending June 30, 1993 may not exceed ~~$9,000,000~~ $8,500,000. This amount may be paid in either fiscal year of the biennium. Total payments from the account to any producer in each fiscal year may not exceed $3,000,000.

(d) The total payments from the account to all producers may not exceed $10,000,000 in any fiscal year during the period beginning July 1, 1993, and ending June 30, 2000. Total payments from the account to any producer in any fiscal year may not exceed $3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Sec. 18. Minnesota Statutes 1991 Supplement, section 84.0855, is amended to read:

84.0855 [SPECIAL RECEIPTS; APPROPRIATION.]

Money received by the commissioner of natural resources as fees for seminars or workshops, from the sale of publications and maps, from the sale of other natural resource related merchandise ~~at the~~

~~state fair~~, or to buy supplies for the use of volunteers, may be credited to one or more special accounts in the state treasury and is appropriated to the commissioner for the purposes for which the money was received. Money received from sales at the state fair shall be available for state fair related costs.

Sec. 19. [84.0887] [YOUTH PROGRAMS.]

Subdivision 1. [PROGRAM CONTENT.] The commissioner shall operate youth corps programs which may include summer youth programs and year-round young adult programs. The commissioner shall insure that youths in all parts of the state have an equal opportunity for employment and that equal numbers of male and female youth are selected for the summer programs. Youth corps members must be 15 to 18 years old and young adult corps members must be 18 to 26 years old. Corps members are not public employees under chapter 43A or 179A. Youth corps programs may provide services that include but are not limited to the following:

(1) conservation, rehabilitation, and the improvement of wildlife habitat, prairie, parks, and recreational areas;

(2) urban and rural revitalization, historical and cultural site preservation, and reforestation of both urban and rural areas;

(3) fish culture, wildlife habitat maintenance and improvement, and other fishery assistance;

(4) road and trail development, maintenance, and improvement;

(5) erosion, flood, drought, and storm damage assistance and controls;

(6) stream, lake, waterfront harbor, and port improvement;

(7) wetlands protection and pollution control;

(8) insect, disease, rodent, and fire prevention and control;

(9) the improvement of abandoned railroad beds and rights-of-way;

(10) energy conservation projects, renewable resource enhancement, and recovery of biomass;

(11) reclamation and improvement of strip-mined land; and

(12) forestry, nursery, and cultural operations.

Subd. 2. [ADDITIONAL SERVICES.] In addition to services under subdivision 1, youth corps programs may coordinate with or provide services to:

(1) making public facilities accessible to individuals with disabilities;

(2) federal, state, local, and regional governmental agencies;

(3) nursing homes, hospices, senior centers, hospitals, local libraries, parks, recreational facilities, child and adult day care centers, programs servicing individuals with disabilities, and schools;

(4) law enforcement agencies, and penal and probation systems;

(5) private nonprofit organizations that primarily focus on social service such as community action agencies;

(6) activities that focus on the rehabilitation or improvement of public facilities, neighborhood improvements, literacy training that benefits educationally disadvantaged individuals, weatherization of and basic repairs to low-income housing including housing occupied by older adults, activities that focus on drug and alcohol abuse education, prevention, and treatment; and

(7) any other nonpartisan civic activities and services that the commissioner determines to be of a substantial social benefit in meeting unmet human, educational, or environmental needs, particularly needs related to poverty, or in the community where volunteer service is to be performed.

Subd. 3. [INELIGIBLE SERVICES.] Ineligible service categories include:

(1) business organized for profit;

(2) labor unions;

(3) partisan political organizations;

(4) organizations engaged in religious activities, unless such activities do not involve the use of funds provided under this title by program participants and program staff to give religious instruction, conduct worship services, or engage in any form of proselytization; or

(5) domestic or personal service companies or organizations.

Subd. 4. [ADVISORY COMMITTEE.] The commissioner shall

establish a youth corps advisory committee with broad state representation including youth.

Subd. 5. [OLDER MEMBERS.] Youth corps programs may enroll a limited number of special corps members over age 26 so that the corps may draw on their unique knowledge, skills, or abilities to fulfill the purposes of the programs.

Subd. 6. [HEALTH INSURANCE.] Youth corps programs are encouraged to make available and provide, where feasible, group health insurance to each full-time, young adult corps member who does not otherwise have access to health insurance.

Subd. 7. [EXPENDITURES FROM SPECIAL FUNDS.] An appropriation from a special revenue fund or account to the commissioner for youth corps programs must be spent for projects that are consistent with the purposes of the fund or account from which the appropriation was made.

Sec. 20. Minnesota Statutes 1990, section 85.015, subdivision 7, is amended to read:

Subd. 7. [~~ROOT RIVER TRAIL~~ BLUFFLANDS TRAIL SYSTEM, FILLMORE AND HOUSTON COUNTIES.] (a) The Root River trail shall originate at Chatfield in Fillmore county, and thence extend easterly in the Root river valley to the intersection of the river with Minnesota trunk highway No. 26 in Houston county, and there terminate.

(b) Additional trails shall be established that extend the Blufflands Trail System to include La Crescent, Hokah, Caledonia, and Spring Grove in Houston county and Preston and Harmony in Fillmore county. In addition to the criteria in section 86A.05, subdivision 4, these trails must utilize abandoned railroad rights-of-way where possible.

(c) The ~~trail~~ trails shall be developed primarily for nonmotorized riding and hiking.

Sec. 21. Minnesota Statutes 1990, section 85A.04, subdivision 1, is amended to read:

Subdivision 1. [DEPOSIT.] All receipts from parking and admission to the Minnesota zoological garden shall be deposited in the state treasury and credited to an account in the ~~general~~ special revenue fund, and are annually appropriated to the board for operations and maintenance.

Sec. 22. Minnesota Statutes 1990, section 89.035, is amended to read:

89.035 [INCOME FROM STATE FOREST LANDS, DISPOSITION.]

All income which may be received from lands acquired by the state heretofore or hereafter for state forest purposes by gift, purchase or eminent domain and tax-forfeited lands to which the county has relinquished its equity to the state for state forest purposes shall be paid into the state treasury and credited to the ~~state forest account~~ general fund except where the conveyance to and acceptance by the state of lands for state forest purposes provides for other disposition of receipts.

Sec. 23. Minnesota Statutes 1991 Supplement, section 89.37, subdivision 4, is amended to read:

Subd. 4. [PROCEEDS OF SALE.] All moneys received in payment for tree planting stock supplied under this section shall be deposited in the state treasury and credited to ~~the state~~ a forest nursery account ~~pursuant to section 89.035~~ and are available to the commissioner of natural resources for the purposes of sections 89.35 to 89.37.

Sec. 24. Minnesota Statutes 1990, section 89.37, is amended by adding a subdivision to read:

Subd. 5. [INVESTMENT INCOME.] Income earned from the investment of funds in the forest nursery account beginning July 1, 1989, shall be credited to the account and are annually appropriated to the commissioner of natural resources for the purposes of sections 89.35 to 89.37.

Sec. 25. Minnesota Statutes 1990, section 116P.11, is amended to read:

116P.11 [AVAILABILITY OF FUNDS FOR DISBURSEMENT.]

(a) The amount biennially available from the trust fund for the budget plan developed by the commission consists of the interest earnings generated from the trust fund.

(b) For funding projects through fiscal year 1997, the following additional amounts are available from the trust fund for the budget plans developed by the commission:

(1) for the 1991-1993 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years 1990 and 1991;

(2) for the 1993-1995 biennium, up to 20 percent of the revenue deposited in the trust fund in fiscal year 1992 and up to 15 percent of the revenue deposited in the fund in fiscal year 1993; ~~and~~

(3) for the 1993-1995 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years 1994 and 1995, to be expended only for capital investments in parks and trails; and

(4) for the 1995-1997 biennium, up to ten percent of the revenue deposited in the fund in fiscal year ~~1994 and up to five percent of the revenue deposited in the fund in fiscal year 1995~~ 1996.

(c) Any appropriated funds not encumbered in the biennium in which they are appropriated cancel and must be credited to the principal of the trust fund.

Sec. 26. Laws 1991, chapter 254, article 1, section 7, subdivision 5, is amended to read:

Subd. 5. Administrative Support and Grants

	5,688,000	5,533,000
Summary by Fund		
General	5,503,000	5,348,000
Special Revenue	185,000	185,000

$185,000 the first year and $185,000 the second year are from the commodities research and promotion account in the special revenue fund.

$80,000 the first year and $80,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than $25,000, the amount above $25,000 must be cost-shared at a state-applicant ratio of one to one. Priorities must be given for projects involving multiple parties. Up to $20,000 each year may be used for dissemination of information about the demonstration grant projects. If the appropriation for either year is insufficient, the appropriation for the other is available.

The unexpended balance appropriated for grants to farmers for demonstration projects involving sustainable agriculture in Laws 1989, chapter 269, section 7, subdivision 5, does not cancel and is

reappropriated to the commissioner and added to other appropriations for the biennium ending June 30, 1993, to carry out such demonstrations to be used in either year of the biennium.

$70,000 the first year and $70,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment and are available until spent.

$40,000 the first year and $40,000 the second year are for payment of claims relating to livestock damaged by endangered animal species. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

$80,000 the first year and $80,000 the second year are for the seaway port authority of Duluth.

$10,000 the first year is for payment of claims relating to agricultural crops damaged by elk and is available until June 30, 1993.

$19,000 the first year and $19,000 the second year is for a grant to the Minnesota livestock breeder's association.

$100,000 the first year and $100,000 the second year are for a base adjustment to grants to the state agricultural society to be spent as grants to county agricultural societies for premiums for county fair competitions in arts and crafts. This appropriation must be included in the 1994-1995 biennial budget base.

$160,000 the first year is for farm safety programs. $120,000 is for payment to instructors in a youth farm safety program and $40,000 is for a farm safety audit pilot project. This appropriation is available for either year of the biennium. If any amount of the appropriation for either program

remains unencumbered on September 1, 1992, it becomes available for the other program or for other farm safety projects and programs at the discretion of the commissioner.

Sec. 27. Laws 1991, chapter 254, article 1, section 14, subdivision 19, is amended to read:

Subd. 19. [MATCH REQUIREMENTS.]

Appropriations in this section, other than the appropriation under subdivision 5, paragraph (g), that must be matched and for which the match has not been committed by January 1, 1992, must be canceled. The appropriation under subdivision 5, paragraph (g), must be matched by a federal commitment by January 1, 1993, or must be canceled. Amounts canceled to the Minnesota future resources fund are appropriated to the contingent account created in subdivision 14.

Sec. 28. [CHECKOFF FEE REFUND TRANSFER POLICY; REPORT.]

Not later than August 1, 1992, the commissioner of agriculture shall appoint a task force to review the issue of direct transfer of commodity checkoff fee refunds to commodity associations and/or farm organizations. The task force must include representatives of farm organizations, research and promotion councils, commodity associations, and commodity producers. Not later than February 1, 1993, the commissioner shall report to the legislature on the findings and recommendations of the task force.

Sec. 29. [REPEALER.]

Minnesota Statutes 1990, sections 84.0885; 84A.51, subdivisions 3 and 4; and 89.036, are repealed.

Sec. 30. [EFFECTIVE DATE.]

Section 26 is effective the day after final enactment.

ARTICLE 5

HUMAN RESOURCES

Section 1. [HUMAN RESOURCES; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1992" and "1993," where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1992, or June 30, 1993, respectively. Amounts to be reduced from appropriations are designated by parentheses.

SUMMARY BY FUND

	1992	1993	TOTAL
General	$(1,808,000)	$6,676,000	$4,868,000
State Government Special Revenue	63,000	684,000	747,000
TOTAL	(1,745,000)	7,360,000	5,615,000

	APPROPRIATIONS Available for the Year Ending June 30 1992 $	1993 $
Sec. 2. HUMAN SERVICES		
Subdivision 1. Total General Fund Appropriation	1,639,000	2,015,000
This appropriation is added to the appropriation in Laws 1991, chapter 292, article 1, section 2.		
For the fiscal year ending June 30, 1993, total state spending is offset by $68,700,000 in provider payments deposited in the general fund under the broad-based health care provider tax program.		
Subd. 2. Human Services Administration: Agency-Wide	(2,150,000)	(2,550,000)

	1992	1993
	$	$
Subd. 3. Social Services Administration	(2,803,000)	(2,652,000)

Effective for the biennium beginning July 1, 1993, the commissioner shall allocate sufficient home- and community-based waivered service openings and money to serve persons who are being relocated from existing intermediate care facilities for the mentally retarded that are projected to close and who otherwise would have been required to be relocated into newly developed intermediate care facilities for the mentally retarded.

The number of home- and community-based waiver openings used for persons with mental retardation or related conditions who are being discharged from nursing homes shall not exceed 50 openings in fiscal year 1992 and 80 openings in fiscal year 1993.

Subd. 4. Family Self-Sufficiency	(12,989,000)	(11,449,000)

Unexpended fiscal year 1991 start work grant funds may be used to pay fiscal year 1991 work readiness services obligations.

For the biennium ending June 30, 1993, general assistance grant funds are appropriated to the commissioner of human services to cover the costs of the refugee cash assistance and refugee medical assistance programs that exceed the federal fiscal year 1992 appropriation for those programs. Federal funds received on or after September 30, 1992, as reimbursement for the federal fiscal year 1992 refugee cash assistance and refugee medical assistance costs must be deposited in the general assistance grant account and appropriated for general assistance grants.

Funds appropriated for fiscal year 1992 for paying contract institutions fees for

	1992	1993
	$	$
cashing public assistance warrants under Laws 1991, chapter 292, article 1, section 2, subdivision 4, do not cancel, but are available for that purpose in fiscal year 1993.		
Subd. 5. Health Care	23,026,000	28,349,000
A nursing facility downsized under Minnesota Statutes, section 256B.431, subdivision 2m, and ineligible for the OBRA adjustments in Minnesota Statutes, section 256B.431, subdivision 7, shall receive a one-time state grant of $50,600 to cover the up-front costs of meeting OBRA requirements.		
The department of human services shall transfer up to $2,800,000 of state funds from the basic sliding fee program to the AFDC child care program to establish the base for the non-STRIDE AFDC child care program. The department shall make the transfer over the biennium ending June 30, 1993. The amount of federal child care and development block grant funds committed to the basic sliding fee program must be increased by an amount equivalent to the transfer. The state funds transferred to the AFDC child care program will provide state matching funds for additional federal funds earned by the department pursuant to Public Law Number 100-485.		
For fiscal year 1993, the commissioner may transfer up to $250,000 from the Minnesota supplemental aid grants account to the medical assistance grants account to reimburse the medical assistance account for nursing facility receivership costs incurred by counties. These transfers must be made from the account of the county of financial responsibility for particular receivership costs and in the amount of individual county cost.		
Any unexpended balance of the $50,000 appropriation in Laws 1991,		

	1992	1993
	$	$

chapter 292, article 1, section 2, subdivision 5, in fiscal year 1992 for modifications to adult foster care homes under provisions of Minnesota Statutes 1991 Supplement, section 256B.0917, does not cancel and is available for these purposes for fiscal year 1993.

The commissioner shall not implement a system to pay hospitals under the medical assistance and general assistance medical care programs on a peer grouping basis during the biennium ending June 30, 1993.

The commissioner of human services may implement demonstration projects designed to create alternative delivery systems for acute and long-term care services to elderly and disabled persons which provide increased coordination, improve access to quality services, and mitigate future cost increases. Before implementing the projects, the commissioner must provide to the legislature information regarding the projects, as part of the department's fiscal year 1994-1995 biennial budget request. Demonstrations affecting elderly persons must be integrated with the provisions of Minnesota Statutes 1991 Supplement, section 256B.0917. The commissioner shall report to the legislature on the interim progress of these demonstrations by June 30, 1993. The report must address the feasibility of and time lines for expansion of the projects or similar projects as part of a long-range strategy for reforming the long-term care delivery system.

The money appropriated to health care management to increase federal medical assistance reimbursement may not be included in the base for the biennium beginning July 1, 1993. The commissioner shall request continued funding based upon the results of the increased effort to maximize federal

	1992	1993
	$	$

funding and shall include an evaluation of those results when requesting additional funding.

Before implementing the managed care initiatives for people with developmental disabilities or mental illness, the commissioner shall report to the chair of the house of representatives human resources division of the appropriations committee and the chair of the senate human resources division of the finance committee regarding the proposed program. The report should include the number of people likely to be affected by the program and the effects of the proposal on the services they receive. Fiscal information should be provided, including the projected costs and savings under the proposal for the biennium ending June 30, 1995.

The commissioner shall postpone administration of the Minnesota department of health residential care home rule until fiscal year 1995. No administrative cost shall be incurred until this time as the rule is not expected to be in effect until fiscal year 1995.

Effective January 1, 1993, and contingent upon federal approval of adding preplacement case management activities for persons with mental retardation or a related condition to the state Medicaid plan under title XIX of the Social Security Act, the commissioner shall transfer $600,000 of Community Social Services Act funds, appropriated for Grants for Case Management established under Minnesota Statutes, section 256E.14, to the state medical assistance account. This transfer is for the purpose of providing funding through June 30, 1993, for the state match necessary for preplacement activity.

In the event that a large community-based facility licensed under Minne-

	1992	1993
	$	$

sota Rules, parts 9525.0215 to 9525.0355, for more than 16 beds but not certified as an intermediate care facility for persons with mental retardation or related conditions closes and alternative services for the residents are necessary, the commissioner may transfer on a quarterly basis to the medical assistance state account from each affected county's community social service allocation an amount equal to the state share of medical assistance reimbursement for such residential and day habilitation services funded by medical assistance and provided to clients for whom the county is financially responsible.

Up to $30,000 of the appropriation for preadmission screening/alternative care grants for fiscal year 1992 contained in Laws 1991, chapter 292, article 1, section 2, subdivision 6, may be transferred to the health care administration account to pay the state's share of county claims for conducting nursing home assessments for persons with mental illness or mental retardation as required by Public Law Number 100-203 (OBRA).

For the fiscal year ending June 30, 1993, a newly constructed or newly established intermediate care facility for the mentally retarded that is developed and financed during that period shall not be subject to the equity requirements in Minnesota Statutes, section 256B.501, subdivision 11, paragraph (d), or Minnesota Rules, part 9553.0060, subpart 3, item F, provided that the provider's interest rate does not exceed the interest rate available through state agency tax exempt financing.

Because nine percent or more of the total preadmission screenings done for SAIL counties under Minnesota Stat-

	1992	1993
	$	$
utes, section 256B.0917, subdivision 4, in fiscal year 1991 were not listed in the October 17, 1991, printing of OD-8043 (State of Minnesota, Department of Human Services Long Term Care Management Division, Preadmission Screening Records for MA and Private Pay Persons Reconciliation List) due to computer error, the commissioner shall make a one-time adjustment on May 1, 1992, to that county's fiscal year 1992 estimated number of preadmission screenings by the actual number of county-verified unlisted names.		
Subd. 6. Mental Health and Regional Treatment Centers	(3,445,000)	(9,683,000)
The commissioner of human services, by January 15, 1993, shall submit to the legislature a comprehensive integrated mental health plan for regional treatment centers and community-based services. The plan must be based on a systemwide analysis of individual needs and contain specific strategies, target dates, funding methods, and budgets.		
There shall be at least one complement position in the department of human services to provide staff support to the state advisory council on mental health in order to coordinate activities with and provide technical assistance to the local advisory councils on mental health.		
$120,000 is appropriated to establish a six-bed short-term mental health crisis unit for adolescents in the five-county Region VII East area. The planning and development of the project shall be done by the Cambridge regional service center task force and its mental health work group. The program's goal shall be to return clients to the community as soon as possible. Special emphasis must be placed on children's mental		

	1992	1993
	$	$

health in cooperation with the special education districts.

For the fiscal year ending June 30, 1992, the commissioner of finance is authorized to transfer $4,100,000 from the regional treatment centers chemical dependency treatment fund account to the general fund. Any remaining unspent money in the account does not cancel but is available for the fiscal year ending June 30, 1993.

The commissioner of finance shall transfer up to $1,750,000 annually from the general fund to the enterprise fund for the specific purpose of providing for the cash flow requirements of the chemical dependency programs operated by the regional treatment centers. All transfers are subject to the commissioner's assessment of the amount of funding needed for cash flow needs, equivalent to two months of account receivables and the ability of the programs to repay the advances from earnings. The chemical dependency programs at the regional treatment centers must repay any advances from the general fund at the prevailing interest rate for invested treasury cash as determined by the commissioner by March 1, 1993. The commissioner shall report to the legislature by January 1, 1993, regarding the financial status of the chemical dependency programs operated by the regional treatment centers.

Notwithstanding the provisions of any law to the contrary, the commissioner of human services may not limit admissions to any regional treatment center or state-operated nursing home, without the specific approval of the chairs of the human resources division of the house appropriations committee and the health and human services division of the senate finance committee.

	1992	1993
	$	$

The reduction in regional treatment center salary accounts shall not reduce the salary base for the regional treatment centers.

It is the policy of the state of Minnesota to provide direct service to the state's customers in the face of tight fiscal conditions. If layoffs of state employees as defined under Minnesota Statutes, chapter 43A, are necessary, the appointing authority shall make reductions from the top down. Larger percentages of reductions shall come from top management and supervisory classifications than from support staff and line personnel. This same policy shall apply to the holding of vacancies if agencies use this technique to manage their respective budgets. Nothing in this section shall be construed to abrogate existing collective bargaining contracts.

Provided there is no conflict with any collective bargaining agreement, any regional treatment center or state nursing home reduction in the human services technical classifications and other nonprofessional, nonsupervisory direct care positions must only be accomplished through attrition, transfers, and retirement and must not be accomplished through layoff, unless the position reduction is due to the relocation of residents to a different state facility and the employee declines to accept a transfer to a comparable position in another state facility.

Any regional treatment center employee position identified as being vacant by the regional treatment center and the commissioner of human services may only be declared so after review by the chair of the house human services division of appropriations and the chair of the senate health and human services division of finance.

	1992	1993
	$	$
Within the limits of available appropriations, the commissioner shall build, purchase, or lease suitable buildings for state-operated community-based programs. The commissioner shall develop the state-operated community residential facilities authorized in 1990 session worksheets of the house appropriations and senate finance committees. The commissioner shall finance the purchase or construction of state-operated, community-based facilities with general obligation bonds or with the Minnesota housing finance agency. When state-operated, community-based facilities are constructed, purchased, or leased through the Minnesota housing finance agency, the commissioner shall make payments through the department of administration to the Minnesota housing finance agency in repayment of mortgage loans granted for this purpose.		
In addition to using general obligation bonds authorized for that purpose, the commissioner shall finance the construction of the ten state-operated community residential facilities with the use of Minnesota housing finance agency bonding authorized in Laws 1990, chapter 610, article 1, section 12, subdivision 3. At least two of the ten state-operated community services facilities shall be built as crisis use facilities in the metropolitan area.		
Subd. 7. Total Special Revenue Fund Appropriation	-0-	134,000
Sec. 3. VETERANS NURSING HOMES BOARD	(116,000)	(965,000)
Sec. 4. COMMISSIONER OF JOBS AND TRAINING		
Total General Fund Appropriation	-0-	1,000,000
This appropriation is added to the appropriation in Laws 1991, chapter 292, article 1, section 5.		

	1992	1993
	$	$
The commissioners of jobs and training, human services, and finance shall develop a plan for the programs of extended employment and day training and habilitation which will serve the greatest number of individuals at an appropriate level within the current state appropriation. Staff of the governor and the legislature must be consulted in developing this plan. This plan must be delivered to the governor by December 1, 1992. Recommendations from the plan may be used in setting the 1994-1995 biennial budget.		
The additional funding for the head start program must be distributed as provided in Minnesota Statutes, section 268.914, subdivision 1, paragraph (a), and must not be used for innovative programs under Minnesota Statutes, section 268.914, subdivision 1, paragraph (b), or service expansion grants under Minnesota Statutes, section 268.914, subdivision 2.		
Sec. 5. CORRECTIONS		
Total General Fund Appropriation	(1,500,000)	4,650,000
This appropriation is added to the appropriation in Laws 1991, chapter 292, article 1, section 6.		
$1,500,000 in the community correction act account shall not carry forward but shall cancel to the general fund.		
$3,600,000 is for operating costs at the correctional facility at Faribault to meet expanding capacity and population requirements. This appropriation is contingent on authorization by the legislature and the governor for the commissioner of finance to issue general obligation bonds up to but not to exceed $4,700,000 in fiscal year 1993 to remodel and renovate two additional living units to house up to 160 inmates,		

	1992	1993
	$	$
and the transfer of administrative authority for the same space from the commissioner of human services to the commissioner of corrections.		
Sec. 6. HEALTH		
Total General Fund Appropriation	(1,081,000)	726,000

This appropriation is added to the appropriation in Laws 1991, chapter 292, article 1, section 9.

Notwithstanding Laws 1985, First Special Session chapter 14, article 19, section 19, of the unobligated balance in the Maternal and Child Health account, $400,000 shall cancel to the general fund.

The unobligated balance of the $45,000 appropriated from the state government special revenue fund in Laws 1991, chapter 292, article 1, section 9, subdivision 3, for the physician assistant registration rules shall not cancel, but shall be available until June 30, 1993.

Notwithstanding the provisions of Minnesota Statutes, sections 144.122 and 144.53, the commissioner of health shall increase the annual licensure fee charged to a hospital accredited by the joint commission on accreditation of health care organizations by $520 and shall increase the annual licensure fee charged to nonaccredited hospitals by $225.

In determining base adjustments for the volunteer ambulance training reimbursement, the commissioner of finance shall carry forward as a permanent reduction only $20,000.

$40,000 is appropriated from the general fund for the fiscal year ending

	1992	1993
	$	$

June 30, 1993, to the commissioner of health for local deliverers of the WIC program to purchase federally authorized nutritional supplements requiring no refrigeration or cooking to be distributed to eligible women and children who are homeless or living in temporary or emergency shelter.

$5,000 is appropriated to the commissioner of health. The commissioner shall use this money to prepare and distribute materials designed to provide information to retail business on the requirements of Minnesota Statutes, sections 145.385 to 145.40.

$50,000 is appropriated from the general fund to the commissioner of health to review under Minnesota Statutes, section 214.13, proposals from occupations and professions seeking to be licensed or regulated by the state, to be available from January 1, 1993, until June 30, 1993.

The health department will closely monitor the water testing program and report on the actual funds expended. The department shall work with affected local units of government to determine the most cost-effective manner for financing the program. The commissioner shall report to the legislature by January 15, 1993, on these matters.

The legislative commission on water shall investigate and recommend alternative future funding sources for the water testing program. They shall include, but not be limited to, volume-based fees, expansion of fees to nonmunicipal water systems, a statewide water testing fund, caps on total fees for municipalities, and use of general fund sources.

The health department shall work with the legislative water commission to in-

	1992	1993
	$	$
vestigate ways to incorporate technical colleges, agricultural extension agents, and others to develop an alternative approach to testing. They shall also look at approaches used in other states.		
State Government Special Revenue Appropriation	10,000	130,000
Sec. 7. HEALTH-RELATED BOARDS		
Subdivision 1. Total Special Revenue Fund Appropriation	53,000	420,000
Subd. 2. Board of Chiropractic Examiners	-0-	14,000
Subd. 3. Board of Dentistry	-0-	11,000
Subd. 4. Board of Medical Practice	-0-	94,000
Subd. 5. Board of Nursing	-0-	86,000
Subd. 6. Board of Podiatric Medicine	-0-	2,000
Subd. 7. Board of Social Work	16,000	28,000
Subd. 8. Board of Psychology	37,000	185,000
Sec. 8. Housing Finance Agency	(750,000)	(750,000)
Notwithstanding Laws 1991, chapter 292, article 1, section 17, for the biennium ending June 30, 1993, $225,000 is available each year for the Urban Indian Housing program and $187,000 each year for the Urban and Rural Homesteading program.		

A

COMPUTATION AND ENFORCEMENT OF SUPPORT

Section 1. [16B.091] [CONTRACTS; COMPLIANCE WITH CHILD SUPPORT ORDERS.]

A state agency may not enter into, extend, or renew a contract with an individual unless the individual submits a verified statement that the individual is not under a court-ordered obligation to

pay child support or that the individual is in good standing with respect to a court-ordered child support obligation. For purposes of this section, an individual is in good standing if:

(1) no arrearages are owed with respect to a child support obligation;

(2) the individual has a motion pending with respect to modification of child support and liability for arrearages; or

(3) the individual is complying with a court-ordered repayment plan for arrearages; or

(4) the individual has entered into an agreement with the custodial parent to pay the arrearages.

Sec. 2. Minnesota Statutes 1991 Supplement, section 214.101, subdivision 1, is amended to read:

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

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

Sec. 3. Minnesota Statutes 1990, section 257.67, subdivision 3, is amended to read:

Subd. 3. Willful failure to obey the judgment or order of the court is a ~~civil~~ contempt of the court. All remedies for the enforcement of judgments apply including those available under chapters 518 and 518C and sections ~~518C.01 to 518C.36 and~~ 256.871 to 256.878.

Sec. 4. Minnesota Statutes 1990, section 518.14, is amended to read:

518.14 [COSTS AND DISBURSEMENTS AND ATTORNEY FEES.]

In a proceeding under this chapter, the court shall award attorney fees, costs, and disbursements in an amount necessary to enable a party to carry on or contest the proceeding, provided it finds:

(1) that the fees are necessary for the good-faith assertion of the party's rights in the proceeding and will not contribute unnecessarily to the length and expense of the proceeding;

(2) that the party from whom fees, costs, and disbursements are sought has the means to pay them; and

(3) that the party to whom fees, costs, and disbursements are awarded does not have the means to pay them.

Nothing in this section precludes the court from awarding, in its discretion, additional fees, costs, and disbursements against a party who unreasonably contributes to the length or expense of the proceeding. Fees, costs, and disbursements provided for in this section may be awarded at any point in the proceeding, including a modification proceeding under section 518.64. The court may adjudge costs and disbursements against either party. The court may authorize the collection of money awarded by execution, or out of property sequestered, or in any other manner within the power of the court. An award of attorney's fees made by the court during the pendency of the proceeding or in the final judgment survives the proceeding and if not paid by the party directed to pay the same may be enforced as above provided or by a separate civil action brought in the attorney's own name. If the proceeding is dismissed or abandoned prior to determination and award of attorney's fees, the court may nevertheless award attorney's fees upon the attorney's motion. The award shall also survive the proceeding and may be enforced in the same manner as last above provided.

Sec. 5. Minnesota Statutes 1990, section 518.171, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] ~~Unless the obligee has comparable or~~ The court shall order the parent who has better group dependent health insurance coverage available ~~at a more reasonable cost, the court shall order the obligor~~, after considering cost, to name the minor child as beneficiary on any health and dental insurance plan that is available to the ~~obligor~~ parent on a group basis or through an employer or union. If only one parent has such coverage available, the court shall order that parent to name the minor child as

beneficiary. "Health insurance coverage" as used in this section does not include medical assistance provided under chapter 256, 256B, or 256D.

If the court finds that dependent health or dental insurance is not available to ~~the obligor~~ either parent on a group basis or through an employer or union, or that the group insurer is not accessible to the ~~obligee~~ custodial parent, the court may require ~~the obligor~~ either parent to obtain dependent health or dental insurance~~, or to be liable for reasonable and necessary medical or dental expenses of the child~~.

~~If the court finds that the dependent health or dental insurance required to be obtained by the obligor does not pay all the reasonable and necessary medical or dental expenses of the child, or that the dependent health or dental insurance available to the obligee does not pay all the reasonable and necessary medical or dental expenses of the child, and the court finds that the obligor has the financial ability to contribute to the payment of these medical or dental expenses, the court shall require the obligor to be liable for all or a portion of the medical or dental expenses of the child not covered by the required health or dental plan.~~ The court shall allocate the cost of the premium for the child and the cost of any medical or dental expenses of the child not covered by health or dental insurance to each parent in proportion to the parent's share, after the transfer of child support, of the total combined net incomes of the parents.

Sec. 6. Minnesota Statutes 1990, section 518.171, subdivision 3, is amended to read:

Subd. 3. [IMPLEMENTATION.] (a) Upon the entry of an order for insurance coverage under this section, the court shall mail a copy of the ~~court~~ order ~~for insurance coverage shall be forwarded~~ to the ~~obligor's~~ employer or union ~~by the obligee or the public authority responsible for support enforcement only when ordered by the court or when the following conditions are met:~~

~~(1) the obligor fails to provide written proof to the obligee or the public authority, within 30 days of receiving effective notice of the court order, that the insurance has been obtained or that application for insurability has been made;~~

~~(2) the obligee or the public authority serves written notice of its intent to enforce medical support on the obligor by mail at the obligor's last known post office address; and~~

~~(3) the obligor fails within 15 days after the mailing of the notice to provide written proof to the obligee or the public authority that the insurance coverage existed as of the date of mailing~~ of the parent who is responsible for the insurance coverage, if insurance is available to the parent on a group basis. The employer or union shall

forward a copy of the order to the health and dental insurance plan offered by the employer.

Sec. 7. Minnesota Statutes 1990, section 518.171, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] The order is binding on the employer or union and the health and dental insurance plan when service under subdivision 3 has been made. Upon receipt of the order, ~~or upon application of the obligor pursuant to the order,~~ the employer or union and its health and dental insurance plan shall enroll the minor child as a beneficiary in the group insurance plan and withhold any required premium from the ~~obligor's~~ parent's income or wages. If more than one plan is offered by the employer or union, the child shall be enrolled in the insurance plan in which the ~~obligor~~ parent is enrolled or the least costly plan otherwise available to the ~~obligor~~ parent that is comparable to a number two qualified plan. An employer or union that fails to comply with the order for 30 or more days is subject to contempt of court. Failure of the ~~obligor~~ parent to execute any documents necessary to enroll the dependent in the group health and dental insurance plan will not affect the obligation of the employer or union and group health and dental insurance plan to enroll the dependent in a plan for which other eligibility requirements are met. Information and authorization provided by the public authority responsible for child support enforcement, or by the custodial parent or guardian, is valid for the purposes of meeting enrollment requirements of the health plan. The insurance coverage for a child eligible under subdivision 5 shall not be terminated except as authorized in subdivision 5.

Sec. 8. Minnesota Statutes 1990, section 518.171, subdivision 6, is amended to read:

Subd. 6. [INSURER REIMBURSEMENT; CORRESPONDENCE AND NOTICE.] (a) The signature of the custodial parent of the insured dependent is a valid authorization to the insurer for purposes of processing an insurance reimbursement payment to the provider of the medical services. If a parent makes a payment for medical services for which reimbursement is required, the insurer shall pay the reimbursement directly to the parent who made the payment.

(b) The insurer shall send copies of all correspondence regarding the insurance coverage to both parents. When an order for dependent insurance coverage is in effect and the ~~obligor's~~ insured's employment is terminated, or the insurance coverage is terminated, the insurer shall notify the ~~obligee~~ other parent within ten days of the termination date with notice of conversion privileges.

Sec. 9. [518.173] [CHILD CARE EXPENSES.]

The court shall allocate the cost of work-related child care to each parent in proportion to each parent's share, after the transfer of child support, of the total combined net incomes of the parents. The cost of child care for purposes of this section shall be determined by subtracting from the actual cost paid for child care, the amount of the federal and state income tax credits for child care.

Sec. 10. Minnesota Statutes 1990, section 518.175, subdivision 1, is amended to read:

Subdivision 1. In all proceedings for dissolution or legal separation, subsequent to the commencement of the proceeding and continuing thereafter during the minority of the child, the court shall, upon the request of either parent, grant such rights of visitation on behalf of ~~the~~ each child and noncustodial parent as will enable the child and the noncustodial parent to maintain a child to parent relationship that will be in the best interests of the child. In particular, the court shall consider the need of each child to spend time alone with each parent. If the court finds, after a hearing, that visitation is likely to endanger ~~the~~ any child's physical or emotional health or impair ~~the~~ any child's emotional development, the court shall restrict visitation by the noncustodial parent with that child as to time, place, duration, or supervision and may deny visitation entirely, as the circumstances warrant. The court shall consider the age of ~~the~~ each child and ~~the~~ each child's relationship with the noncustodial parent prior to the commencement of the proceeding. A parent's failure to pay support because of the parent's inability to do so shall not be sufficient cause for denial of visitation.

Sec. 11. Minnesota Statutes 1990, section 518.54, subdivision 4, is amended to read:

Subd. 4. [SUPPORT MONEY; CHILD SUPPORT.] "Support money" or "child support" means:

(1) an award in a dissolution, legal separation, ~~or~~ annulment, or parentage proceeding for the care, support and education of any child of the marriage or of the parties to the ~~annulment~~ proceeding; or

(2) a contribution by parents ordered under section 256.87.

"Support money" or "child support" includes interest on arrearages under section 23.

Sec. 12. Minnesota Statutes 1990, section 518.551, subdivision 1, is amended to read:

Subdivision 1. [SCOPE; PAYMENT TO PUBLIC AGENCY.] (a)

This section applies to all proceedings involving an award of the child support.

(b) The court shall direct that all payments ordered for maintenance and support be made to the public agency responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance, or has applied for child support and maintenance collection services. Public authorities responsible for child support enforcement may act on behalf of other public authorities responsible for child support enforcement. This includes the authority to represent the legal interests of or execute documents on behalf of the other public authority in connection with the establishment, enforcement, and collection of child support, maintenance, or medical support, and collection on judgments. Amounts received by the public agency responsible for child support enforcement greater than the amount granted to the obligee shall be remitted to the obligee.

Sec. 13. Minnesota Statutes 1991 Supplement, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support stipulation of the parties if each party is represented by independent counsel, unless the stipulation does not meet the conditions of paragraph (h). In other cases the court shall determine and order child support in a specific dollar amount in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom. The court may also order the obligor to pay child support in the form of a percentage share of the obligor's net bonuses, commissions, or other forms of compensation, in addition to, or if the obligor receives no base pay, in lieu of, an order for a specific dollar amount.

(b) The court shall derive a specific dollar amount by multiplying the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
$401 – 500	14%	17%	20%	22%	24%	26%	28%
$501 – 550	15%	18%	21%	24%	26%	28%	30%
$551 – 600	16%	19%	22%	25%	28%	30%	32%
$601 – 650	17%	21%	24%	27%	29%	32%	34%
$651 – 700	18%	22%	25%	28%	31%	34%	36%
$701 – 750	19%	23%	27%	30%	33%	36%	38%
$751 – 800	20%	24%	28%	31%	35%	38%	40%
$801 – 850	21%	25%	29%	33%	36%	40%	42%
$851 – 900	22%	27%	31%	34%	38%	41%	44%
$901 – 950	23%	28%	32%	36%	40%	43%	46%
$951 – 1000	24%	29%	34%	38%	41%	45%	48%
$1001 – ~~4000~~ 10,000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of ~~$4,001~~ $10,000 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of ~~$4,000~~ $10,000. The court may apply the guideline percentages for net monthly incomes of $1,001 to $10,000 to any portion of net monthly income in excess of $10,000, but the rebuttable presumption in paragraph (i) does not apply to this additional amount.

Net Income defined as:

Total monthly income less

*(i) Federal Income Tax
*(ii) State Income Tax
(iii) Social Security Deductions
(iv) Reasonable Pension Deductions
(v) Union Dues
(vi) Cost of Dependent Health Insurance Coverage
(vii) Cost of Individual or Group Health/ Hospitalization Coverage or an Amount for Actual Medical Expenses
(viii) A Child Support or Maintenance Order that is Currently Being Paid.

*Standard Deductions apply—use of tax tables recommended

"Net income" does not include:

(1) the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses; or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

(i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(ii) the party demonstrates, and the court finds, that:

(A) the excess employment began after the filing of the petition for dissolution;

(B) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(C) the excess employment is voluntary and not a condition of employment;

(D) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(E) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

~~(b)~~ (c) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, and resources of the parents, including real and personal property, but excluding income from excess employment of the obligor or obligee that meets the criteria of paragraph ~~(a)~~ (b), clause (2)(ii);

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved, but recognizing that the parents now have separate households;

(4) ~~the amount of the aid to families with dependent children grant for the child or children;~~

~~(5)~~ which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; ~~and~~

~~(6)~~ (5) the parents' debts as provided in paragraph ~~(c)~~ (d); and

(6) existing or anticipated extraordinary medical expenses of the child.

~~(c)~~ (d) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

~~(d)~~ (e) Any schedule prepared under paragraph ~~(c)~~ (d), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

~~(e)~~ (f) Any further departure below the guidelines that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

~~(f) Where~~ (g) If payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

~~(g)~~ (h) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

~~(h)~~ (i) The guidelines in this subdivision are a rebuttable presumption and shall be used in all cases when establishing or modifying

child support. If the court does not deviate from the guidelines, the court shall make written findings concerning the amount of the obligor's income used as the basis for the guidelines calculation and any other significant evidentiary factors affecting the determination of child support. If the court deviates from the guidelines, the court shall make written findings giving the reasons for the deviation and shall specifically address the criteria in paragraph ~~(b)~~ (c) and how the deviation serves the best interest of the child. The provisions of this paragraph apply whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court shall review stipulations presented to it for conformity to the guidelines and the court is not required to conduct a hearing, but the parties shall provide the documentation of earnings required under subdivision 5b.

(j) Under no circumstances shall the fact that the obligee receives public assistance be grounds for the court to depart downward from the applicable child support amount calculated under paragraph (b).

Sec. 14. Minnesota Statutes 1990, section 518.551, is amended by adding a subdivision to read:

Subd. 5d. [EDUCATION TRUST FUND.] If the child support order provides the child with a reasonable standard of living, the parties may agree to designate a sum of money as a trust fund for the costs of post-secondary education. The court shall advise parties that this option is available and that they may wish to consult an attorney concerning the creation of a trust. The state court administrator, in consultation with attorneys experienced in trust law, shall prepare a model trust instrument which the court administrator shall provide to parties who have minor children.

Sec. 15. Minnesota Statutes 1991 Supplement, section 518.551, subdivision 12, is amended to read:

Subd. 12. [~~OCCUPATIONAL~~ LICENSE SUSPENSION.] Upon petition of an obligee or public agency responsible for child support enforcement, if the court finds that the obligor is in arrears in court-ordered child support payments, and has not entered into an agreement with the custodial parent to pay the arrearages, the court may provide for suspension of licenses as provided in this subdivision. If the court finds that the obligor is or may be licensed by a licensing board listed in section 214.01 ~~and the obligor is in arrears in court-ordered child support payments~~ or by any other state agency that issues an occupational license, the court may direct the licensing board or other licensing agency to conduct a hearing under section 214.101 concerning suspension of the obligor's license. If the obligor is a licensed attorney, the court may report the matter to the lawyers professional responsibility board for appropriate action in accordance with the rules of professional conduct.

The remedy under this subdivision is in addition to any other enforcement remedy available to the court.

Sec. 16. Minnesota Statutes 1990, section 518.57, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Upon a decree of dissolution, legal separation, or annulment, the court shall make a further order which is just and proper concerning the maintenance of the minor children as provided by section 518.551, and for the maintenance of any child of the parties as defined in section 518.54, as support money, ~~and~~. The court may make ~~the same~~ any child support order a lien or charge upon the property of the ~~parties to the proceeding, or either of them~~ obligor, either at the time of the entry of the judgment or by subsequent order upon proper application.

Sec. 17. Minnesota Statutes 1990, section 518.57, is amended by adding a subdivision to read:

Subd. 4. [OTHER CUSTODIANS.] If a child resides with a person other than a parent and the court approves of the custody arrangement, the court may order child support payments to be made to the custodian regardless of whether the person has legal custody.

Sec. 18. [518.585] [NOTICE OF INTEREST ON LATE CHILD SUPPORT.]

Any judgment or decree of dissolution or legal separation containing a requirement of child support and any determination of parentage, order under chapter 518C, order under section 256.87, or order under section 260.251 must include a notice to the parties that section 23 provides for interest to begin accruing on a payment or installment of child support whenever the unpaid amount due is greater than the current support due.

Sec. 19. Minnesota Statutes 1990, section 518.611, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] (a) Notwithstanding any law to the contrary, the order is binding on the employer, trustee, payor of the funds, or financial institution when service under subdivision 2 has been made. Withholding must begin no later than the first pay period that occurs after 14 days following the date of the notice. In the case of a financial institution, preauthorized transfers must occur in accordance with a court-ordered payment schedule. An employer, payor of funds, or financial institution in this state is required to withhold income according to court orders for withholding issued by other states or territories. The payor shall withhold from the income payable to the obligor the amount specified in the order and amounts required under subdivision 2 and section 518.613

and shall remit, within ten days of the date the obligor is paid the remainder of the income, the amounts withheld to the public authority. The payor shall identify on the remittance information the date the obligor is paid the remainder of the income. The obligor is deemed to have paid the amount withheld as of the date the obligor received the remainder of the income. The financial institution shall execute preauthorized transfers from the deposit accounts of the obligor in the amount specified in the order and amounts required under subdivision 2 as directed by the public authority responsible for child support enforcement.

(b) Employers may combine all amounts withheld from one pay period into one payment to each public authority, ~~but~~ or one payment for all public authorities made to a public authority in a county designated by the commissioner of human services. The employer shall separately identify each obligor making payment in accordance with information required by the commissioner of human services. The combined payment must be accompanied by a fee of $1 for each obligor included in the payment, which must be deposited in the county treasury of the county designated by the commissioner of human services and credited to the county general fund. Amounts received by the public authority which are in excess of public assistance expended for the party or for a child shall be remitted to the party.

(c) An employer shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of a wage or salary withholding authorized by this section. The employer or other payor of funds shall be liable to the obligee for any amounts required to be withheld. A financial institution is liable to the obligee if funds in any of the obligor's deposit accounts identified in the court order equal the amount stated in the preauthorization agreement but are not transferred by the financial institution in accordance with the agreement. An employer or other payor of funds or a financial institution that fails to withhold or transfer funds in accordance with this section is:

(i) liable to the obligee for interest on the funds at the rate applicable to judgments under section 549.09, computed from the date the funds were required to be withheld or transferred;

(ii) liable for reasonable attorney fees of the obligee or public authority incurred in enforcing the liability under this paragraph; and

(iii) subject to contempt of court if it fails to comply with the requirements of this section for 30 days or more.

Sec. 20. Minnesota Statutes 1991 Supplement, section 518.64, subdivision 1, is amended to read:

Subdivision 1. [MODIFICATION; CONTEMPT.] After an order for maintenance or support money, temporary or permanent, or for the appointment of trustees to receive property awarded as maintenance or support money, the court may from time to time, on motion of either of the parties, a copy of which is served on the public authority responsible for child support enforcement if payments are made through it, or on motion of the public authority responsible for support enforcement, modify the order respecting the amount of maintenance or support money, and the payment of it, and also respecting the appropriation and payment of the principal and income of property held in trust, and may make an order respecting these matters which it might have made in the original proceeding, except as herein otherwise provided. The obligee or public authority also may bring a motion for contempt of court if the obligor is in arrears in support or maintenance payments.

Sec. 21. Minnesota Statutes 1991 Supplement, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party or the child or children that are the subject of these proceedings; (3) receipt of assistance under sections 256.72 to 256.87; ~~or~~ (4) a change in the cost of living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair; or (5) extraordinary medical expenses of the child.

The terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if the application of the child support guidelines in section 518.551, subdivision 5, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least $50 per month higher or lower than the current support order.

(b) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section 518.551, subdivision 5, and shall not consider the financial circumstances of each party's spouse, if any; ~~and~~

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full; and

(3) may consider the financial needs of any child born to, or adopted by, the obligor after entry of the support order, but only if:

(i) the motion is to increase the amount of support; and

(ii) the court also considers the financial circumstances of each party's spouse, if any.

(c) A modification of support or maintenance may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record. However, modification may be applied to an earlier period if the court makes express findings that the party seeking modification was precluded from serving a motion by reason of a significant physical or mental disability, a material misrepresentation of another party, or fraud upon the court and that the party seeking modification, when no longer precluded, promptly served a motion.

(d) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the

property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

(e) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

(f) Section 518.14 shall govern the award of attorney fees for motions brought under this subdivision.

Sec. 22. Minnesota Statutes 1991 Supplement, section 518.64, subdivision 5, is amended to read:

Subd. 5. [FORM.] The department of human services shall prepare and make available to courts, obligors and persons to whom child support is owed a form to be submitted by the obligor or the person to whom child support is owed in support of a motion for a modification of an order for support or maintenance or for contempt of court. The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.

Sec. 23. Minnesota Statutes 1990, section 548.091, subdivision 1a, is amended to read:

Subd. 1a. [CHILD SUPPORT JUDGMENT BY OPERATION OF LAW.] Any payment or installment of support required by a judgment or decree of dissolution or legal separation, determination of parentage, an order under chapter 518C, an order under section 256.87, or an order under section 260.251, that is not paid or withheld from the obligor's income as required under section 518.611 or 518.613, is a judgment by operation of law on and after the date it is due and is entitled to full faith and credit in this state and any other state. Interest accrues at an annual rate of ten percent from the date the ~~judgment on the payment or installment is entered and docketed under subdivision 3a, at the annual rate provided in section 549.09, subdivision 1~~ unpaid amount due is greater than the current support due. A payment or installment of support that becomes a judgment by operation of law between the date on which a party served notice of a motion for modification under section 518.64, subdivision 2, and the date of the court's order on modification may be modified under that subdivision.

Sec. 24. Minnesota Statutes 1990, section 588.20, is amended to read:

588.20 [CRIMINAL CONTEMPTS.]

Every person who shall commit a contempt of court, of any one of the following kinds, shall be guilty of a misdemeanor:

(1) Disorderly, contemptuous, or insolent behavior, committed during the sitting of the court, in its immediate view and presence, and directly tending to interrupt its proceedings, or to impair the respect due to its authority;

(2) Behavior of like character in the presence of a referee, while actually engaged in a trial or hearing, pursuant to an order of court, or in the presence of a jury while actually sitting for the trial of a cause, or upon an inquest or other proceeding authorized by law;

(3) Breach of the peace, noise, or other disturbance directly tending to interrupt the proceedings of a court, jury, or referee;

(4) Willful disobedience to the lawful process or other mandate of a court;

(5) Resistance willfully offered to its lawful process or other mandate;

(6) Contumacious and unlawful refusal to be sworn as a witness, or, after being sworn, to answer any legal and proper interrogatory;

(7) Publication of a false or grossly inaccurate report of its proceedings; or

(8) Willful failure to pay court-ordered child support when the obligor has the ability to pay.

No person shall be punished as herein provided for publishing a true, full, and fair report of a trial, argument, decision, or other proceeding had in court.

Sec. 25. Minnesota Statutes 1990, section 609.375, subdivision 1, is amended to read:

Subdivision 1. Whoever is legally obligated to provide care and support to a spouse who is in necessitous circumstances, or child, whether or not its custody has been granted to another, and knowingly omits and fails without lawful excuse to do so is guilty of ~~nonsupport of the spouse or child, as the case may be~~ a misdemeanor, and upon conviction ~~thereof~~ may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than ~~$300~~ $700, or both. Willful failure to make court-ordered child support or spousal maintenance payments is prima facie evidence of a violation of this subdivision.

Sec. 26. Minnesota Statutes 1990, section 609.375, subdivision 2, is amended to read:

Subd. 2. If the ~~knowing omission and failure without lawful excuse to provide care and support to a spouse, a minor child, or a pregnant wife~~ violation of subdivision 1 continues for a period in excess of 90 days the person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both.

Sec. 27. [INCOME WITHHOLDING; SINGLE CHECK SYSTEM.]

Within the limits of available appropriations, the commissioner of human services shall designate one or more counties where the public authority will receive and distribute combined child support payments withheld from income by employers under Minnesota Statutes, section 518.611, subdivision 4, paragraph (b). The commissioner shall specify the information to be provided by employers in order to separately identify each obligor making a payment.

Sec. 28. [REPEALER; CHILD SUPPORT ENFORCEMENT.]

Minnesota Statutes 1990, section 609.37, is repealed.

Sec. 29. [CHILD SUPPORT; EFFECTIVE DATE; APPLICATION.]

(a) Section 18 is effective August 1, 1992, for all judgments, decrees, and orders entered on or after that date.

(b) Section 19, paragraph (b), is effective January 1, 1994.

(c) Section 23 is effective August 1, 1992, for all payments and installments of child support due on or after that date.

(d) Sections 24 to 26 and 28 are effective August 1, 1992, and apply to crimes committed on or after that date.

B

ADMINISTRATION AND FUNDING

Section 1. Minnesota Statutes 1990, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. Except as provided in paragraph (d), the court administrator shall transmit the fees monthly to the state treasurer for deposit in the state treasury and credit to the general fund.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the state treasurer for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court, or child or medical support enforcement conducted by an administrative law judge in an administrative hearing under section 518.551, subdivision 10;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) court relief under chapter 260;

(6) forfeiture of property under sections 609.531 to 609.5317;

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256.87, 256B.042, 256B.14, 256B.15, 256B.37, and 260.251, or other sections referring to other forms of public assistance; or

(8) restitution under section 611A.04.

(d) The fees collected for child support modifications under subdivision 2, clause (11), must be transmitted to the county treasurer for deposit in the county general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

Sec. 2. Minnesota Statutes 1991 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of $85.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of $85.

The party requesting a trial by jury shall pay $30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, $5, plus 25 cents per page after the first page, and $3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena, $3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, $10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, $7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, $5.

(7) Certificate as to existence or nonexistence of judgments docketed, $5 for each name certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, $5.

(9) For the filing of each partial, final, or annual account in all trusteeships, $10.

(10) For the deposit of a will, $5.

(11) Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the supreme court.

(12) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 3. Minnesota Statutes 1990, section 518.551, subdivision 7, is amended to read:

Subd. 7. [SERVICE FEE.] When the public agency responsible for child support enforcement provides child support collection services either to a public assistance recipient or to a party who does not receive public assistance, the public agency may upon written notice to the obligor charge a monthly collection fee equivalent to the full monthly cost to the county of providing collection services, in addition to the amount of the child support which was ordered by the court. The fee shall be deposited in the county general fund. The service fee assessed is limited to ten percent of the monthly court ordered child support and shall not be assessed to obligors who are current in payment of the monthly court ordered child support. The public agency may impose a late fee penalty at an annual rate of six percent of the unpaid support due, commencing 30 days after the end of the month when the support was due. An application fee not to exceed ~~$5~~ $25 shall be paid by the person who applies for child support and maintenance collection services, except persons who transfer from public assistance to nonpublic assistance status. Fees assessed by state and federal tax agencies for collection of overdue support owed to or on behalf of a person not receiving public assistance must be imposed on the person for whom these services are provided.

However, the limitations of this subdivision on the assessment of fees shall not apply to the extent inconsistent with the requirements of federal law for receiving funds for the programs under Title IV-A and Title IV-D of the Social Security Act, United States Code, title 42, sections 601 to 613 and United States Code, title 42, sections 651 to 662.

Sec. 4. Minnesota Statutes 1990, section 518.551, subdivision 10, is amended to read:

Subd. 10. [ADMINISTRATIVE PROCESS FOR CHILD AND MEDICAL SUPPORT ORDERS.] (a) An administrative process is established to obtain, modify, and enforce child and medical support orders and maintenance.

The commissioner of human services may designate counties to participate in the administrative process established by this section. All proceedings for obtaining, modifying, or enforcing child and medical support orders and maintenance and adjudicating uncontested parentage proceedings, required to be conducted in counties designated by the commissioner of human services in which the county human services agency is a party or represents a party to the

action must be conducted by an administrative law judge from the office of administrative hearings, except for the following proceedings:

(1) adjudication of contested parentage;

(2) motions to set aside a paternity adjudication or declaration of parentage;

(3) evidentiary hearing on contempt motions; and

(4) motions to sentence or to revoke the stay of a jail sentence in contempt proceedings.

(b) An administrative law judge may hear a stipulation reached on a contempt motion, but any stipulation that involves a finding of contempt and a jail sentence, whether stayed or imposed, shall require the review and signature of a district judge.

(c) For the purpose of this process, all powers, duties, and responsibilities conferred on judges of the district court to obtain and enforce child and medical support obligations, subject to the limitation set forth herein, are conferred on the administrative law judge conducting the proceedings, including the power to issue orders to show cause and to issue bench warrants for failure to appear.

(d) Before implementing the process in a county, the chief administrative law judge, the commissioner of human services, the director of the county human services agency, the county attorney, and the county court administrator shall jointly establish procedures and the county shall provide hearing facilities for implementing this process in a county.

(e) Nonattorney employees of the public agency responsible for child support in the counties designated by the commissioner, acting at the direction of the county attorney, may prepare, sign, serve, and file complaints and motions for obtaining, modifying, or enforcing child and medical support orders and maintenance and related documents, appear at prehearing conferences, and participate in proceedings before an administrative law judge. This activity shall not be considered to be the unauthorized practice of law.

(f) The hearings shall be conducted under the rules of the office of administrative hearings, Minnesota Rules, parts 1400.7100 to 1400.7500, 1400.7700, and 1400.7800, as adopted by the chief administrative law judge. All other aspects of the case, including, but not limited to, pleadings, discovery, and motions, shall be conducted under the rules of family court, the rules of civil procedure, and chapter 518. The administrative law judge shall make findings of fact, conclusions, and a final decision and issue an order.

Orders issued by an administrative law judge are enforceable by the contempt powers of the county and district courts.

(g) The decision and order of the administrative law judge is appealable to the court of appeals in the same manner as a decision of the district court.

(h) Within the limits of available appropriations, the commissioner shall provide grants to counties to cover the costs of the administrative process, including salaries of administrative law judges.

Sec. 5. Minnesota Statutes 1990, section 518.551, is amended by adding a subdivision to read:

Subd. 13. [CONSULTATION WITH LEGAL STAFF AND PRACTITIONERS.] When considering and developing legislative initiatives and when developing rules, procedures, and forms, the state office of child support shall consult judges, attorneys in the department and the attorney general's office, county attorneys and support enforcement staff, and family law practitioners.

Sec. 6. [COLLECTIONS AND COST RECOVERY.]

The commissioner of human services shall consult with representatives of the office of child support enforcement, local social service agencies, the department of revenue, and legislative staff to make recommendations for a process to increase the collection of child support arrearages and to institute cost recovery in child support enforcement. The commissioner of human services and the commissioner of revenue shall report the recommendations to the chairs of the committees on health and human services and judiciary in the senate and the house of representatives by January 15, 1993.

Sec. 7. [CHILD SUPPORT COMPUTER SYSTEM.]

The commissioner of human services shall take appropriate action to ensure that the statewide computer system for the collection and enforcement of child support is operating effectively and efficiently as soon as possible. The commissioner shall report to the chairs of the committees on health and human services and judiciary in the senate and the house of representatives by January 15, 1993, concerning the status of the computer system and any problems in the functioning of the system.

Sec. 8. [SAVINGS DESIGNATED FOR COUNTY ADMINISTRATION.]

The commissioner of human services and the commissioner of finance shall estimate the savings to the state that will result from

reducing the number of instances in which there are downward deviations from the child support guidelines in cases where the children receive AFDC. Before the end of fiscal year 1993, the amount of the estimated savings for fiscal year 1993 must be transferred from the appropriation for AFDC to the appropriation for county child support enforcement incentive grants in Laws 1991, chapter 292, article 1, section 2, subdivision 4, to be allocated to counties in the same manner as the original appropriation for fiscal year 1993. For purposes of the governor's 1994-1995 biennial budget recommendations, the amount transferred during fiscal year 1993 and any additional savings projected for the biennium as a result of prohibiting downward deviations in AFDC cases must be added to the direct legislative appropriations and considered part of the base level funding for county child support enforcement incentives.

C

SURCHARGE

Section 1. [144.0505] [COOPERATION WITH COMMISSIONER OF HUMAN SERVICES.]

The commissioner shall promptly provide to the commissioner of human services upon request any information on hospital revenues, nursing home licensure, and health maintenance organization revenues required by the commissioner of human services to operate the provider surcharge program.

Sec. 2. Minnesota Statutes 1991 Supplement, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed nursing home bed, under the following conditions:

(a) to replace a bed decertified after May 23, 1983, or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified

beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) to certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) to certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes;

(d) to license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);

(e) to license nursing home beds in a facility that has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has either commenced any required construction as defined in clause (b) before May 1, 1985, or has, before May 1, 1985, received from the commissioner approval of plans for phased-in construction and written authorization to begin construction on a phased-in basis. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules;

(f) to certify or license new beds in a new facility that is to be operated by the commissioner of veterans' affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans' affairs or the United States Veterans Administration;

(g) to license or certify beds in a new facility constructed to replace a facility that was destroyed after June 30, 1987, by fire, lightning, or other hazard provided:

(1) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(2) at the time the facility was destroyed the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(3) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility;

(4) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5; and

(5) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility;

(h) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed ten percent of the appraised value of the facility or $200,000, whichever is less, or to license or certify beds in a facility for which the total costs of remodeling or renovation exceed ten percent of the appraised value of the facility or $200,000, whichever is less, if the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the remodeling or renovation;

(i) to license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner within 120 days after delicensure or decertification;

(j) to license or certify beds in a project recommended for approval by the interagency board for quality assurance under section 144A.073;

(k) to license nursing home beds in a hospital facility that are relocated from a different hospital facility under common ownership or affiliation, provided:

(1) the nursing home beds are not certified for participation in the medical assistance program; and

(2) the relocation of nursing home beds under this clause should not exceed a radius of six miles;

(l) to license or certify beds that are moved from one location to another within an existing identifiable complex of hospital build-

ings, from a hospital-attached nursing home to the hospital building, or from a separate nursing home to a building formerly used as a hospital, provided the original nursing home building will no longer be operated as a nursing home and the building to which the beds are moved will no longer be operated as a hospital. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation. At the time of the licensure and certification of the nursing home beds, the commissioner of health shall delicense the same number of acute care beds within the existing complex of hospital buildings or building. Relocation of nursing home beds under this clause is subject to the limitations in section 144A.073, subdivision 5;

(m) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds. The relocated beds need not be licensed and certified at the new location simultaneously with the delicensing and decertification of the old beds and may be licensed and certified at any time after the old beds are delicensed and decertified;

(n) to license new nursing home beds in a continuing care retirement community affiliated with a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its residents from outside the state for the purpose of meeting contractual obligations to residents of the retirement community, provided the facility makes a written commitment to the commissioner of human services that it will not seek medical assistance certification for the new beds;

(o) to certify or license new beds in a new facility on the Red Lake Indian Reservation for which payments will be made under the Indian Health Care Improvement Act, Public Law Number 94-437, at the rates specified in United States Code, title 42, section 1396d(b);

(p) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure and if the cost of any remodeling of the facility does not exceed ten percent of the appraised value of the facility or $200,000, whichever is less; or to license as nursing home beds boarding care beds in a facility with an addendum to its provider agreement effective beginning July 1, 1983, if the boarding care beds to be upgraded meet the standards for nursing home licensure. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase in the future. The provisions contained in section 144A.073 regarding

the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(q) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of Saint Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this clause;

(r) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or $200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

(s) to license or certify beds that are moved from a nursing home to a separate facility under common ownership or control that was formerly licensed as a hospital and is currently licensed as a nursing facility and that is located within eight miles of the original facility, provided the original nursing home building will no longer be operated as a nursing home. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation; ~~or~~

(t) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that

licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of $200,000 or more; or

(u) to certify, prior to July 1, 1993, beds in a facility that has no certified beds but was licensed and in operation prior to January 1, 1992.

Sec. 3. Minnesota Statutes 1991 Supplement, section 144A.071, subdivision 3a, is amended to read:

Subd. 3a. [CERTIFICATION OF LICENSED BEDS IN A CERTIFIED FACILITY.] Nothing in this section prohibits the commissioner of health from certifying licensed nursing home beds in a facility certified for medical assistance provided that these beds meet the certification requirements ~~and the facility enters into a written agreement with the commissioner of human services specifying that medical assistance reimbursement shall not be requested for a greater number of residents than the facility had medical assistance certified beds on April 1, 1991~~.

Sec. 4. Minnesota Statutes 1990, section 144A.073, subdivision 5, is amended to read:

Subd. 5. [REPLACEMENT RESTRICTIONS.] (a) Proposals submitted or approved under this section involving replacement must provide for replacement of the facility on the existing site except as allowed in this subdivision.

(b) Facilities located in a metropolitan statistical area other than the Minneapolis-St. Paul seven-county metropolitan area may relocate to a site within the same census tract or a contiguous census tract.

(c) Facilities located in the Minneapolis-St. Paul seven-county metropolitan area may relocate to a site within the same or contiguous health planning area as adopted in March 1982 by the metropolitan council.

(d) Facilities located outside a metropolitan statistical area may relocate to a site within the same city or township, or within a contiguous township.

(e) A facility relocated to a different site under paragraph (b), (c), or (d) must not be relocated to a site more than six miles from the existing site.

(f) The relocation of part of an existing first facility to a second location, under paragraphs (d) and (e), may include the relocation to the second location of up to four beds from part of an existing third

facility located in a township contiguous to the location of the first facility. The six-mile limit in paragraph (e) does not apply to this relocation from the third facility.

Sec. 5. Minnesota Statutes 1990, section 147.02, is amended by adding a subdivision to read:

Subd. 7. [INFORMATION FOR COMMISSIONER OF HUMAN SERVICES.] The board shall promptly provide to the commissioner of human services upon request any information on physician licensure required by the commissioner to operate the provider surcharge program.

Sec. 6. Minnesota Statutes 1991 Supplement, section 256.9656, is amended to read:

256.9656 [DEPOSITS INTO THE GENERAL FUND.]

All money collected under section 256.9657 shall be deposited in the general fund ~~and is appropriated to the commissioner of human services for the purposes of section 256B.74~~. Deposits do not cancel and are available until expended.

Sec. 7. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 1, is amended to read:

Subdivision 1. [NURSING ~~FACILITY~~ HOME LICENSE SURCHARGE.] Effective ~~July~~ October 1, ~~1991~~ 1992, each non-state-operated nursing ~~facility subject to the reimbursement principles in Minnesota Rules, parts 9549.0010 to 9549.0080,~~ home licensed under chapter 144A shall pay to the commissioner an annual surcharge according to the schedule in subdivision 4. The surcharge shall be calculated as ~~$500~~ $536 per bed licensed on the previous ~~April~~ July 1, except that if the number of licensed beds is reduced after July 1 but prior to August 1, the surcharge shall be based on the number of remaining licensed beds. A nursing home entitled to a reduction in the number of beds subject to the surcharge under this provision must demonstrate to the satisfaction of the commissioner by August 5 that the number of beds has been reduced.

Sec. 8. Minnesota Statutes 1991 Supplement, section 256.9657, is amended by adding a subdivision to read:

Subd. 1a. [WAIVER REQUEST.] The commissioner shall request a waiver from the secretary of the United States Department of Health and Human Services to exclude from the surcharge under subdivision 1 a nursing home that provides all services free of charge and to make a pro rata reduction in the surcharge paid by a nursing home that provides a portion of its services free of charge. If a waiver is approved under this subdivision, the commissioner shall

not collect a surcharge from a nursing home that demonstrates to the satisfaction of the commissioner that all services are provided free of charge and shall make a pro rata reduction in the surcharge paid by a nursing home that provides a portion of its services free of charge.

Sec. 9. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 2, is amended to read:

Subd. 2. [HOSPITAL SURCHARGE.] ~~(a)~~ Effective ~~July~~ October 1, ~~1991~~ 1992, each Minnesota ~~and local trade area~~ hospital except facilities of the federal Indian Health Service and regional treatment centers shall pay to the medical assistance account a surcharge equal to ~~ten~~ 1.6 percent of ~~medical assistance payments issued to~~ net patient revenues excluding net Medicare revenues reported by that provider ~~for inpatient services~~ to the health care cost information system according to the schedule in subdivision 4. ~~Medicare crossovers and indigent care payments paid under section 256B.74 are excluded from the amount of medical assistance payments issued.~~

~~(b) Effective July 1, 1991, each Minnesota and local trade area hospital except facilities of the federal Indian Health Service and regional treatment centers shall pay to the medical assistance account a surcharge equal to five percent of medical assistance payments issued to that provider for outpatient services according to the schedule in subdivision 4. Medicare crossovers are excluded from the amount of medical assistance payments issued.~~

Sec. 10. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 3, is amended to read:

Subd. 3. [HEALTH ~~PLAN~~ MAINTENANCE ORGANIZATION SURCHARGE.] Effective ~~July~~ October 1, ~~1991~~ 1992, each health ~~plan under contract with~~ maintenance organization with a certificate of authority issued by the commissioner of health under chapter 62D shall pay to the commissioner of human services a surcharge equal to ~~the equivalent value of the surcharges described in subdivision 2 for each medical assistance rate cell payment~~ seven-tenths of one percent of the total premium revenues of the health maintenance organization as reported to the commissioner of health according to the schedule in subdivision 4. ~~The surcharge for each quarter or month of a fiscal year shall be calculated based on the payments due in September of the same fiscal year under subdivision 2.~~

Sec. 11. Minnesota Statutes 1991 Supplement, section 256.9657, is amended by adding a subdivision to read:

Subd. 3a. [LICENSED PHYSICIAN SURCHARGE.] Each physician licensed by the board of medical practice shall pay to the

commissioner an annual license surcharge of $400 according to the schedule in subdivision 4 to be paid at the time a license is renewed.

Sec. 12. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 4, is amended to read:

Subd. 4. [PAYMENTS INTO THE ACCOUNT.] Payments to the commissioner under ~~subdivision~~ subdivisions 1 to 3 must be paid in monthly installments due on the 15th of the month beginning ~~August~~ October 15, ~~1991~~ 1992. The monthly payment must be equal to the annual surcharge divided by 12. Payments to the commissioner under subdivisions 2 and 3 for fiscal year 1993 must be ~~paid as follows: the first payment is a quarterly payment due September 15, 1991, with subsequent payments due monthly on the fifteenth of each month. The September 15, 1991, payment under subdivisions 2 and 3 shall be determined by taking the amount of medical assistance payments issued to each provider in the calendar quarter beginning six months prior to the quarter in which the payment is due multiplied by the percentage surcharge for each provider. The subsequent monthly payments shall be determined by taking the amount of medical assistance payments issued to each provider in the month beginning six months prior to the month in which the payment is due multiplied by the percentage surcharge for each provider~~ based on calendar year 1990 revenues. Effective July 1 of each year, beginning in 1993, payments under subdivisions 2 and 3 must be based on revenues earned in the second previous calendar year.

Sec. 13. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 7, is amended to read:

Subd. 7. [~~ENFORCEMENT~~ COLLECTION; CIVIL PENALTIES.] ~~The commissioner shall bring action in district court to collect provider payments due under subdivisions 1 to 3 that are more than 30 days in arrears.~~ The provisions of sections 289A.35 to 289A.50 relating to the authority to audit, assess, collect, and pay refunds of other state taxes may be implemented by the commissioner of human services with respect to the tax, penalty, and interest imposed by this section. The commissioner of human services shall impose civil penalties for violation of this section as provided in section 289A.60, and the tax and penalties are subject to interest at the rate provided in section 270.75.

Sec. 14. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 1, is amended to read:

Subdivision 1. [HOSPITAL COST INDEX.] The hospital cost index shall be obtained from an independent source and shall represent a weighted average of historical, as limited to statutory maximums, and projected cost change estimates determined for expense categories to include wages and salaries, employee benefits,

medical and professional fees, raw food, utilities, insurance including malpractice insurance, and other applicable expenses as determined by the commissioner. The index shall reflect Minnesota cost category weights. Individual indices shall be specific to Minnesota if the commissioner determines that sufficient accuracy of the hospital cost index is achieved. The hospital cost index shall be used to adjust the base year operating payment rate through the rate year on an annually compounded basis. Notwithstanding section 256.9695, subdivision 3, paragraph (c), the hospital cost index shall not be effective under the general assistance medical care program for admissions occurring during the biennium ending June 30, 1993, and the hospital cost index under medical assistance shall be increased by 3.7 percentage points to reflect changes in technology.

Sec. 15. Minnesota Statutes 1991 Supplement, section 256.969, is amended by adding a subdivision to read:

Subd. 9a. [ENHANCED DISPROPORTIONATE SHARE.] A hospital with a medical assistance inpatient utilization rate in which 19 percent or more of the total inpatient days are medical assistance days shall receive an enhancement in disproportionate share payments, so that the total payment shall equal 150 percent of the payment to which the facility is entitled under subdivision 9.

Sec. 16. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 20, is amended to read:

Subd. 20. [INCREASES IN MEDICAL ASSISTANCE INPATIENT PAYMENTS; CONDITIONS.] (a) Medical assistance inpatient payments shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(b) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of

the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(c) Medical assistance inpatient payment rates shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occur on or after October 1, 1992, if: (i) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For a hospital that qualifies for an adjustment under this paragraph and under subdivision 9, the hospital must be paid the adjustment under subdivision 9 plus any amount by which the adjustment under this paragraph exceeds the adjustment under subdivision 9. For this paragraph, medical assistance does not include general assistance medical care.

(d) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occur after September 30, 1992, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987 to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For a hospital that qualifies for an adjustment under this paragraph and under subdivision 9, the hospital must be paid the adjustment under subdivision 9 plus any amount by which the adjustment under this paragraph exceeds the adjustment under subdivision 9. For this paragraph, medical assistance does not include general assistance medical care.

Sec. 17. Minnesota Statutes 1990, section 256.9695, subdivision 3, is amended to read:

Subd. 3. [TRANSITION.] Except as provided in section 256.969, subdivision 6a, paragraph (a), clause (3), the commissioner shall establish a transition period for the calculation of payment rates from July 1, 1989, to the implementation date of the upgrade to the Medicaid management information system.

During the transition period:

(a) Changes resulting from section 256.969, subdivision 6a, paragraph (a), clauses (1), (2), (4), (5), (6), and (8), shall not be implemented, except as provided in section 256.969, subdivision 6a, paragraph (a), clause (7), and paragraph (i).

(b) The beginning of the 1991 rate year shall be delayed and the rates notification requirement shall not be applicable.

(c) Operating payment rates shall be indexed from the hospital's most recent fiscal year ending prior to January 1, 1991, by prorating the hospital cost index methodology in effect on January 1, 1989. For payments made for admissions occurring on or after June 1, 1990, ~~shall not be adjusted by the one percent technology factor included in the hospital cost index and~~ the hospital cost index shall not exceed five percent. This hospital cost index limitation shall not apply to hospitals that meet the requirements of section 256.969, subdivision 6a, paragraphs (g) and (h).

(d) Property and pass-through payment rates shall be maintained at the most recent payment rate effective for June 1, 1990. However, all hospitals are subject to the hospital cost index limitation of subdivision 2c, for two complete fiscal years. Property and pass-through costs shall be retroactively settled through the transition period. The laws in effect on the day before July 1, 1989, apply to the retroactive settlement.

Sec. 18. Minnesota Statutes 1990, section 256B.19, is amended by adding a subdivision to read:

Subd. 1b. [PORTION OF NONFEDERAL SHARE TO BE PAID BY GOVERNMENT HOSPITALS.] In addition to the percentage contribution paid by a county under subdivision 1, the governmental units designated in this subdivision shall be responsible for an additional portion of the nonfederal share of medical assistance costs attributable to them. For purposes of this subdivision, "designated governmental unit" means Hennepin county, and the public corporation known as Ramsey Health Care, Inc. which is operated under the authority of chapter 246A. For purposes of this subdivision, "public hospital" means the Hennepin County Medical Center, and the St. Paul-Ramsey Medical Center.

Each of the governmental units designated in this subdivision shall on a monthly basis assess the public hospital under its jurisdiction, in an amount equal to two percent of the public hospital's net patient revenues, excluding net Medicare revenue. These sums shall be transmitted to the state Medicaid agency as part of the local governmental unit's portion of the nonfederal share of medical assistance costs, but shall not be subject to payback provisions of section 256.025.

Sec. 19. Minnesota Statutes 1990, section 256B.431, subdivision 2i, is amended to read:

Subd. 2i. [OPERATING COSTS AFTER JULY 1, 1988.] (a) [OTHER OPERATING COST LIMITS.] For the rate year beginning July 1, 1988, the commissioner shall increase the other operating

cost limits established in Minnesota Rules, part 9549.0055, subpart 2, item E, to 110 percent of the median of the array of allowable historical other operating cost per diems and index these limits as in Minnesota Rules, part 9549.0056, subparts 3 and 4. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted other operating cost limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 3 and 4.

(b) [CARE-RELATED OPERATING COST LIMITS.] For the rate year beginning July 1, 1988, the commissioner shall increase the care-related operating cost limits established in Minnesota Rules, part 9549.0055, subpart 2, items A and B, to 125 percent of the median of the array of the allowable historical case mix operating cost standardized per diems and the allowable historical other care-related operating cost per diems and index those limits as in Minnesota Rules, part 9549.0056, subparts 1 and 2. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted care-related limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 1 and 2. For the rate period beginning October 1, 1992, and for rate years beginning after June 30, 1993, the amount of the surcharge under section 256.9657, subdivision 1, shall be included in the plant operations and maintenance operating cost category. The surcharge shall be an allowable cost for the purpose of establishing the payment rate.

(c) [SALARY ADJUSTMENT PER DIEM.] For the rate period October 1, 1988, to June 30, 1990, the commissioner shall add the appropriate salary adjustment per diem calculated in clause (1) or (2) to the total operating cost payment rate of each nursing home. The salary adjustment per diem for each nursing home must be determined as follows:

(1) for each nursing home that reports salaries for registered nurses, licensed practical nurses, and aides, orderlies and attendants separately, the commissioner shall determine the salary adjustment per diem by multiplying the total salaries, payroll taxes, and fringe benefits allowed in each operating cost category, except management fees and administrator and central office salaries and the related payroll taxes and fringe benefits, by 3.5 percent and then dividing the resulting amount by the nursing home's actual resident days; and

(2) for each nursing home that does not report salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the salary adjustment per diem is the weighted average salary adjustment per diem increase determined under clause (1).

Each nursing home that receives a salary adjustment per diem

pursuant to this subdivision shall adjust nursing home employee salaries by a minimum of the amount determined in clause (1) or (2). The commissioner shall review allowable salary costs, including payroll taxes and fringe benefits, for the reporting year ending September 30, 1989, to determine whether or not each nursing home complied with this requirement. The commissioner shall report the extent to which each nursing home complied with the legislative commission on long-term care by August 1, 1990.

(d) [NEW BASE YEAR.] The commissioner shall establish new base years for both the reporting year ending September 30, 1989, and the reporting year ending September 30, 1990. In establishing new base years, the commissioner must take into account:

(1) statutory changes made in geographic groups;

(2) redefinitions of cost categories; and

(3) reclassification, pass-through, or exemption of certain costs such as public employee retirement act contributions.

(e) [NEW BASE YEAR.] The commissioner shall establish a new base year for reporting years ending September 30, 1991, and September 30, 1992. In establishing a new base year, the commissioner must take into account:

(1) statutory changes made in geographic groups;

(2) redefinitions of cost categories; and

(3) reclassification, pass-through, or exemption of certain costs.

Sec. 20. Minnesota Statutes 1991 Supplement, section 256B.431, subdivision 3f, is amended to read:

Subd. 3f. [PROPERTY COSTS AFTER JULY 1, 1988.] (a) [INVESTMENT PER BED LIMIT.] For the rate year beginning July 1, 1988, the replacement-cost-new per bed limit must be $32,571 per licensed bed in multiple bedrooms and $48,857 per licensed bed in a single bedroom. For the rate year beginning July 1, 1989, the replacement-cost-new per bed limit for a single bedroom must be $49,907 adjusted according to Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1). Beginning January 1, 1990, the replacement-cost-new per bed limits must be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1). Beginning January 1, 1991, the replacement-cost-new per bed limits will be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1), except that the index utilized will be the Bureau of the Census: Composite

fixed-weighted price index as published in the Survey of Current Business.

(b) [RENTAL FACTOR.] For the rate year beginning July 1, 1988, the commissioner shall increase the rental factor as established in Minnesota Rules, part 9549.0060, subpart 8, item A, by 6.2 percent rounded to the nearest 100th percent for the purpose of reimbursing nursing homes for soft costs and entrepreneurial profits not included in the cost valuation services used by the state's contracted appraisers. For rate years beginning on or after July 1, 1989, the rental factor is the amount determined under this paragraph for the rate year beginning July 1, 1988.

(c) [OCCUPANCY FACTOR.] For rate years beginning on or after July 1, 1988, in order to determine property-related payment rates under Minnesota Rules, part 9549.0060, for all nursing homes except those whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use 95 percent of capacity days. For a nursing home whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use the greater of resident days or 80 percent of capacity days but in no event shall the divisor exceed 95 percent of capacity days.

(d) [EQUIPMENT ALLOWANCE.] For rate years beginning on July 1, 1988, and July 1, 1989, the commissioner shall add ten cents per resident per day to each nursing home's property-related payment rate. The ten-cent property-related payment rate increase is not cumulative from rate year to rate year. For the rate year beginning July 1, 1990, the commissioner shall increase each nursing home's equipment allowance as established in Minnesota Rules, part 9549.0060, subpart 10, by ten cents per resident per day. For rate years beginning on or after July 1, 1991, the adjusted equipment allowance must be adjusted annually for inflation as in Minnesota Rules, part 9549.0060, subpart 10, item E. For the rate period beginning October 1, 1992, the equipment allowance for each nursing facility shall be increased by 28 percent. For rate years beginning after June 30, 1993, the allowance must be adjusted annually for inflation.

(e) [POST CHAPTER 199 RELATED-ORGANIZATION DEBTS AND INTEREST EXPENSE.] For rate years beginning on or after July 1, 1990, Minnesota Rules, part 9549.0060, subpart 5, item E, shall not apply to outstanding related organization debt incurred prior to May 23, 1983, provided that the debt was an allowable debt under Minnesota Rules, parts 9510.0010 to 9510.0480, the debt is subject to repayment through annual principal payments, and the nursing home demonstrates to the commissioner's satisfaction that the interest rate on the debt was less than market interest rates for similar arms-length transactions at the time the debt was incurred. If the debt was incurred due to a sale between family members, the

nursing home must also demonstrate that the seller no longer participates in the management or operation of the nursing home. Debts meeting the conditions of this paragraph are subject to all other provisions of Minnesota Rules, parts 9549.0010 to 9549.0080.

(f) [BUILDING CAPITAL ALLOWANCE FOR NURSING HOMES WITH OPERATING LEASES.] For rate years beginning on or after July 1, 1990, a nursing home with operating lease costs incurred for the nursing home's buildings shall receive its building capital allowance computed in accordance with Minnesota Rules, part 9549.0060, subpart 8.

Sec. 21. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 9a. [ONE-TIME ADJUSTMENT FOR 21-MONTH FACTOR.] For the rate period beginning October 1, 1992, the 21-month inflation factor for operating costs shall be increased by seven-tenths of one percent.

Sec. 22. Minnesota Statutes 1990, section 256B.48, subdivision 1b, is amended to read:

Subd. 1b. [EXCEPTION.] Notwithstanding any agreement between a nursing home and the department of human services or the provisions of this section or section 256B.411, other than subdivision 1a, the commissioner may authorize continued medical assistance payments to a nursing home which ceased intake of medical assistance recipients prior to July 1, 1983, and which charges private paying residents rates that exceed those permitted by subdivision 1, paragraph (a), for (i) residents who resided in the nursing home before July 1, 1983, or (ii) residents for whom the commissioner or any predecessors of the commissioner granted a permanent individual waiver prior to October 1, 1983. Nursing homes seeking continued medical assistance payments under this subdivision shall make the reports required under subdivision 2, except that on or after December 31, 1985, the financial statements required need not be audited by or contain the opinion of a certified public accountant or licensed public accountant, but need only be reviewed by a certified public accountant or licensed public accountant. In the event that the state is determined by the federal government to be no longer eligible for the federal share of medical assistance payments made to a nursing home under this subdivision, the commissioner may cease medical assistance payments, under this subdivision, to that nursing home. Between October 1, 1992, and July 1, 1993, a facility governed by this subdivision may elect to resume full participation in the medical assistance program by agreeing to comply with all of the requirements of the medical assistance program, including the rate equalization law in subdivision 1, paragraph (a), and all other requirements established in law or rule, and to resume intake of new medical assistance recipients.

Sec. 23. Minnesota Statutes 1990, section 256B.48, is amended by adding a subdivision to read:

Subd. 9. [MEDICAL ASSISTANCE PARTICIPATION FOR CERTAIN FACILITIES.] An agreement entered into between a nursing facility and the commissioner of human services that limits the number of residents that will be reimbursed under the medical assistance program as a condition of allowing additional beds to be certified under section 144A.071, subdivision 3a, terminates effective October 1, 1992.

Sec. 24. Minnesota Statutes 1991 Supplement, section 256B.74, subdivision 1, is amended to read:

Subdivision 1. [HOSPITAL REIMBURSEMENT.] ~~(a) Effective for admissions occurring on or after July 1, 1991, the commissioner shall make an indigent care payment to Minnesota and local trade area hospitals except facilities of the federal Indian Health Service and regional treatment centers, in addition to all other payment to hospitals for inpatient services. The indigent care payment shall be ten percent of the amount of medical assistance payments issued to that provider for inpatient services in a given calendar quarter or month, excluding indigent care payments paid under this section, divided by the number of related admissions, or patient days if applicable, and multiplying the result by 111 percent. The indigent care payment is added to each admission, or patient day if applicable, occurring (1) in the second calendar quarter beginning after the quarter on which the September 15, 1991, indigent care payment amount is based and (2) in the month beginning six months after the month on which the subsequent monthly indigent care payment amount is based. Medicare crossovers are excluded from indigent care payments and from the payments and admissions on which the indigent care payment is based. The commissioner may issue indigent care payments as disproportionate population adjustments for eligible hospitals.~~

~~(b)~~ Effective for services rendered on or after July 1, 1991, the commissioner shall reimburse outpatient hospital facility fees at 80 percent of calendar year 1990 submitted charges, not to exceed the Medicare upper payment limit. Services excepted from this payment methodology are emergency room facility fees, clinic facility fees, and those services for which there is a federal maximum allowable payment.

Sec. 25. Minnesota Statutes 1991 Supplement, section 256B.74, subdivision 3, is amended to read:

Subd. 3. [NURSING FACILITY REIMBURSEMENT.] For rate years beginning on or after July 1, 1991, ~~the commissioner shall reimburse nursing facilities participating in the medical assistance program as follows:~~

~~(1) a capital allowance of $1.44 per resident day shall be paid. For a licensed provider with an operating lease on the nursing facility, the capital equipment allowance shall not be the property of the lessor but shall be the property of the licensed provider for the duration of the operating lease or any renewal or extension of the operating lease; and~~

~~(2)~~ the maximum efficiency incentive per diem payment established annually under section 256B.431, subdivision 2b, paragraph (d), shall be increased to $2.10 effective July 1, 1991, and $2.20 effective July 1, 1992, and shall be indexed for inflation annually beginning July 1, 1993, using Data Resources, Inc., forecast for change in the nursing home market basket.

Sec. 26. [HOSPITAL OUTPATIENT REIMBURSEMENT.]

For services rendered on or after October 1, 1992, the commissioner of human services shall increase hospital outpatient rates by 25 percent over the rates in effect on September 30, 1992, provided that no rate shall exceed the upper payment limit established by Medicare.

Sec. 27. [PHYSICIAN AND DENTAL REIMBURSEMENT.]

The reimbursement increases provided in Minnesota Statutes, section 256B.74, subdivisions 2 and 5, shall not be implemented. Effective October 1, 1992, the commissioner shall increase payments for physician services by 25 percent above the rate in effect on June 30, 1992, and shall increase payments for dental services by 25 percent above the rate in effect on June 30, 1992.

Sec. 28. [HEALTH MAINTENANCE ORGANIZATION REIMBURSEMENT.]

The commissioner shall adjust rates paid to a health maintenance organization under contract with the commissioner to reflect rate increases provided in sections 14, 26, and 27.

Sec. 29. [COMMISSIONER'S DUTIES.]

The commissioner of human services shall report to the legislature quarterly on the first day of January, April, July, and October regarding the provider surcharge program. The report shall include information on estimated billings, total collections, and administrative expenditures. The report on January 1, 1993, shall include information on all surcharge billings, collections, federal matching payments received, efforts to collect unpaid amounts, and administrative costs pertaining to the surcharge program in effect from July 1, 1991 to September 30, 1992. The commissioner shall report when submitting the budget forecast regarding any changes in the amount

of the nursing home surcharge needed to ensure that collections continue at the level anticipated for fiscal year 1993. At that time, the commissioner shall also submit information to the legislature on any other proposed adjustments to the surcharge. The commissioner shall continue to track and report separately any provider reimbursement increases or other payments authorized in Laws 1992, chapter 292, article 4, and under sections 1 to 29. The commissioner shall request the Minnesota congressional delegation to support a change in federal law that would prohibit federal disallowances for any state that makes a good faith effort to comply with Public Law Number 91-234 by enacting conforming legislation prior to the issuance of federal implementing regulations.

Sec. 30. [REPEALER.]

Minnesota Statutes 1991 Supplement, sections 256.9657, subdivision 5; 256.969, subdivision 7; and 256B.74, subdivisions 8 and 9; and Laws 1991, chapter 292, article 4, section 77, are repealed.

Sec. 31. [EFFECTIVE DATE; CERTIFICATION OF BEDS.]

Sections 1 to 30 are effective October 1, 1992.

D

NURSING HOME PROPERTY REIMBURSEMENTS

Section 1. Minnesota Statutes 1990, section 144A.073, subdivision 3a, is amended to read:

Subd. 3a. [EXTENSION OF APPROVAL OF A PROJECT REQUIRING AN EXCEPTION TO THE NURSING HOME MORATORIUM.] Notwithstanding subdivision 3, a construction project that was approved by the commissioner under the moratorium exception approval process in this section prior to ~~February~~ July 1, ~~1990~~ 1992, may be commenced more than 12 months after the date of the commissioner's approval but no later than July 1, ~~1992~~ 1994, or 12 months after the effective date of a nursing home property-related payment system enacted to replace the current rate freeze in section 256B.431, subdivision 12, whichever is later.

Sec. 2. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 13. [HOLD-HARMLESS PROPERTY-RELATED RATES.] (a) Terms used in subdivisions 13 to 20 shall be as defined in Minnesota Rules, parts 9549.0010 to 9549.0080, and this section.

(b) Except as provided in this subdivision, for rate periods beginning after June 30, 1992, the property-related rate for a nursing

facility shall be the greater of $4 or the property-related payment rate in effect on June 30, 1992. In addition, the incremental increase in the nursing facility's property-related payment rate will be determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section for allowable property-related costs incurred after September 30, 1991, and for inflation adjustments and other increases under subdivision 3f after June 30, 1992.

(c) Notwithstanding Minnesota Rules, part 9549.0060, subpart 13, item F, a nursing facility that has a sale permitted under subdivision 14 after June 30, 1992, shall receive the property-related payment rate in effect at the time of the sale or reorganization. For rate years beginning after June 30, 1992, and for sales after that date, a nursing facility shall receive, in addition to its property-related payment rate in effect at the time of the sale, the incremental increase allowed under subdivision 14.

Sec. 3. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 14. [LIMITATIONS ON SALES OF NURSING FACILITIES.] (a) For rate years beginning after June 30, 1992, a nursing facility's property-related payment rate as established under subdivision 13 shall be adjusted by either paragraph (b) or (c) for the sale of the nursing facility as provided in this subdivision.

(b) If the nursing facility's property-related payment rate under subdivision 13 prior to sale is greater than the nursing facility's rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale, the nursing facility's property-related payment rate after sale shall be the greater of its property-related payment rate under subdivision 13 prior to sale or its rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section calculated after sale.

(c) If the nursing facility's property-related payment rate under subdivision 13 prior to sale is equal to or less than the nursing facility's rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale, the nursing facility's property-related payment rate after sale shall be the nursing facility's property-related payment rate under subdivision 13 plus the difference between its rental rate calculated under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale and its rental rate calculated under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section calculated after sale.

(d) For purposes of this subdivision, "sale" means the purchase of a nursing facility's capital assets with cash or debt. The term sale does not include a stock purchase of a nursing facility or any of the following transactions:

(1) a sale and leaseback to the same licensee that does not constitute a change in facility license;

(2) a transfer of an interest to a trust;

(3) gifts or other transfers for no consideration;

(4) a merger of two or more related organizations;

(5) a change in the legal form of doing business, other than a publicly held organization that becomes privately held or vice versa;

(6) the addition of a new partner, owner, or shareholder who owns less than 20 percent of the nursing home or the issuance of stock; and

(7) a sale, merger, reorganization, or any other transfer of interest between related organizations other than those permitted in this section.

(e) For purposes of this subdivision, "effective date of sale" means the later of either the date on which legal title to the capital assets is transferred or the date on which closing for the sale occurred.

(f) The effective day for the property-related payment rate determined under this subdivision shall be the first day of the month following the month in which the effective date of sale occurs, provided that the notice requirements under section 256B.47, subdivision 2, have been met.

(g) Notwithstanding Minnesota Rules, part 9549.0060, subpart 5, item A, subitems (3) and (4), and subpart 7, items E and F, the commissioner shall limit the total allowable debt and related interest for sales occurring after June 30, 1992, to the sum of clauses (1) to (3) (for purposes of paragraphs (g), (h), and (i), the term capital asset does not include depreciable equipment):

(1) the historical cost of capital assets, as of the nursing facility's most recent previous effective date of sale or, if there has been no previous sale, the nursing facility's initial historical cost of constructing capital assets;

(2) the average annual capital asset additions after deduction for capital asset deletions, not including depreciations; and

(3) one-half of the allowed inflation on the nursing facility's capital assets. The commissioner shall compute the allowed inflation as described in paragraph (h).

(h) For purposes of computing the amount of allowed inflation, the commissioner must apply the following principles:

(1) the lesser of the Consumer Price Index for all urban consumers or the Dodge Construction Index for any time periods during which both are available must be used. If the Dodge Construction Index becomes unavailable, the commissioner shall substitute the index in section 256B.431, subdivision 3f, or such other index as the secretary of the health care financing administration may designate;

(2) the amount of allowed inflation to be applied to the capital assets in paragraph (g), clauses (1) and (2), must be computed separately;

(3) the amount of allowed inflation must be determined on an annual basis, prorated on a monthly basis for partial years and if the initial month of use is not determinable for a capital asset, then one-half of that calendar year shall be used for purposes of prorating;

(4) the amount of allowed inflation to be applied to the capital assets in paragraph (g), clauses (1) and (2), must not exceed 300 percent of the total capital assets in any one of those clauses; and

(5) the allowed inflation must be computed starting with the month following the nursing facility's most recent previous effective date of sale or, if there has been no previous sale, the month following the date of the nursing facility's initial occupancy, and ending with the month preceding the effective date of sale.

(i) If the historical cost of a capital asset is not readily available for the date of the nursing facility's most recent previous sale or if there has been no previous sale for the date of the nursing facility's initial occupancy, then the commissioner shall limit the total allowable debt and related interest after sale to the extent recognized by the Medicare intermediary after the sale. For a nursing facility that has no historical capital asset cost data available and does not have allowable debt and interest calculated by the Medicare intermediary, the commissioner shall use the historical cost of capital asset data from the point in time for which capital asset data is recorded in the nursing facility's audited financial statements.

(j) The limitations in this subdivision apply only to debt resulting from a sale of a nursing facility occurring after June 30, 1993, including debt assumed by the purchaser of the nursing facility.

Sec. 4. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 15. [CAPITAL REPAIR AND REPLACEMENT COST RE-

PORTING AND RATE CALCULATION.] For rate years beginning after June 30, 1993, a nursing facility's capital repair and replacement rate shall be determined as provided in paragraphs (a) to (d).

(a) Notwithstanding Minnesota Rules, part 9549.0060, subpart 12, the costs of acquiring the following items, including cash payment for equity investment and principal and interest expense for debt financing, shall be reported in the capital repair and replacement cost category:

(1) wall coverings;

(2) paint;

(3) floor coverings;

(4) window coverings;

(5) roof repair;

(6) heating or cooling system repair or replacement;

(7) window repair or replacement;

(8) initiatives designed to reduce energy usage by the facility if accompanied by an energy audit prepared by a professional engineer or architect registered in Minnesota, or by an auditor certified under Minnesota Rules, part 7635.0130, to do energy audits and the energy audit identifies the initiative as a conservation measure; and

(9) capitalized repair or replacement of capital assets not included in the equity incentive computations under subdivision 16.

(b) To compute the capital repair and replacement rate, the lesser of 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 determined under subdivision 13.

(c) For capital repair and replacement costs incurred using both equity investment and debt financing, the equity investment shall be used first in determining costs subject to the annual limit.

(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.

Sec. 5. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 16. [MAJOR ADDITIONS AND REPLACEMENTS; EQUITY INCENTIVE.] For rate years beginning after June 30, 1993, new allowable costs during the reporting year preceding the rate year, in connection with 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 those capital asset additions exceeds the lesser of $125,000 or ten percent of the most recent appraised value shall be reimbursed under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section and shall receive an equity incentive factor to be added to their rental factor for application to the allowed equity portion of the new cost as provided in paragraphs (a) to (c). This computation is separate from the determination of the nursing facility's rental rate.

(a) For costs described in this subdivision, in addition to the rental rate determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, the allowable historical cost of the capital asset acquired, minus the allowable debt directly identified to that capital asset, must be multiplied by the equity incentive factor as described in paragraphs (b) and (c), and divided by the nursing facility's occupancy factor under subdivision 3f, paragraph (c), and added to the nursing facility's total property-related rate. The allowable historical cost of the capital assets and the allowable debt shall be determined as provided in Minnesota Rules, parts 9549.0010 to 9549.0080, and this section.

(b) The equity incentive factor shall be determined under clauses (1) to (4):

(1) divide the initial allowable debt in paragraph (a) by the initial historical cost of the capital asset additions referred to in paragraph (a), then cube the quotient,

(2) subtract the amount calculated in clause (1) from the number one,

(3) determine the difference between the rental factor and the lesser of two percentage points above the posted yield for standard conventional fixed rate mortgages of the Federal Home Loan Mortgage Corporation as published in the Wall Street Journal and in effect on the first day of the month the debt or cost is incurred, or 16 percent,

(4) multiply the amount calculated in clause (2) by the amount calculated in clause (3).

(c) The payment resulting from application of the equity incentive factor shall be limited to the term of the allowable debt in paragraph (a), not greater than 20 years nor less than ten years. If no debt is incurred in acquiring the capital asset, the equity incentive payment shall be paid for ten years. Sale of a nursing facility under subdivision 14 shall terminate application of the equity incentive factor effective on the date provided in subdivision 4, paragraph (f), for the sale.

Sec. 6. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 17. [SPECIAL PROVISIONS FOR MORATORIUM EXCEPTIONS.] (a) Notwithstanding Minnesota Rules, part 9549.0060, subpart 3, for rate years beginning after June 30, 1992, a nursing facility that has completed a renovation, replacement, or upgrading project approved under the moratorium exception process in section 144A.073 shall be reimbursed for costs directly identified to that project as provided in subdivisions 16 and 18 and this subdivision.

(b) Notwithstanding Minnesota Rules, part 9549.0060, subpart 5, item A, subitems (1) and (3), allowable debt shall include:

(1) debt related to the cost of purchasing or replacing depreciable equipment, excluding vehicles, not to exceed six percent of the total historical cost of the project; and

(2) an increase in debt related to financing or refinancing costs, including costs related to points, loan origination fees, financing charges, legal fees, and title searches; and issuance costs including bond discounts, bond counsel, underwriter's counsel, corporate counsel, printing, and financial forecasts. Allowable debt related to items in this clause shall not exceed seven percent of the total historical cost of the project. To the extent these costs are financed, the straight-line amortization of the costs in this clause is not an allowable cost.

(c) Notwithstanding Minnesota Rules, part 9549.0060, subpart 7, item D, allowable interest shall include:

(1) interest on allowable debt, including debt allowed under paragraph (b); and

(2) interest on debt incurred for the establishment of a debt reserve fund, net of the interest earned on the debt reserve fund.

(d) Debt for costs under paragraph (b) is not subject to Minnesota Rules, part 9549.0060, subpart 5, item A, subitem (5) or (6).

(e) Notwithstanding subdivision 3f, paragraph (a), for rate years beginning after June 30, 1992, the replacement-costs-new per bed limit to be used in Minnesota Rules, part 9549.0060, subpart 4, item B, for a nursing facility that has completed a renovation, replacement, or upgrading project that has been approved under the moratorium exception process in section 144A.073, or that has completed an addition to or replacement of buildings, attached fixtures, or land improvements for which the total historical cost exceeds the lesser of $200,000 or ten percent of the most recent appraised value, must be $47,500 per licensed bed in multiple-bed rooms and $71,250 per licensed bed in a single-bed room. These amounts must be adjusted annually as specified in subdivision 3f, paragraph (a).

Sec. 7. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 18. [ESTABLISHING BASELINE APPRAISALS; UPDATING APPRAISALS, ADDITIONS, AND REPLACEMENTS.] (a) Notwithstanding Minnesota Rules, part 9549.0060, subparts 1 to 3, the appraised value, routine updating of the appraised value, and special reappraisals are subject to this subdivision.

(1) For rate years beginning after June 30, 1993, the commissioner shall allow any nursing facility not choosing to use appraised values established under Minnesota Rules, part 9549.0060, as of June 30, 1991, or as established after June 30, 1991, and before July 1, 1993, under Minnesota Rules, part 9549.0060, subpart 13, item G (special reappraisals), to appeal its appraisal according to the procedures provided in section 256B.50, subdivision 2. All appraisals conducted in connection with that appeal must utilize the segregated cost approach of the depreciated replacement cost method currently employed by the commissioner. Upon appeal, all elements of the appraisal may be placed at issue by either party.

Nursing facilities electing to appeal their appraised value shall file written notice of appeal with the commissioner of human services before December 30, 1992. The cost of the appraisal report submitted with the appeal shall be paid by the nursing facility and shall be considered an allowable cost under Minnesota Rules, parts 9549.0040, subpart 9, and 9549.0061.

(2) All appraisals and reappraisals conducted under Minnesota Rules, parts 9549.0010 to 9549.0080, must comply with this section.

(3) The redetermination of a facility's appraised value under this paragraph shall have no impact on the rate determined under subdivision 13 but shall only be used for calculating the nursing facility's property-related payment rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section for rate years beginning after June 30, 1993.

(b) Notwithstanding Minnesota Rules, part 9549.0060, subpart 2, for rate years beginning after June 30, 1994, the commissioner shall routinely update the appraised value of all nursing facilities by adjusting each nursing facility's appraised value components by multiplying them by the index provided in subdivision 3f, paragraph (a). The incremental increase in the nursing facility's rental rate resulting from the annual adjustment as determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section shall be added to the nursing facility's property-related payment rate for each rate year. The adjustment under this paragraph shall also apply for purposes of subdivision 16.

(c) A nursing facility that makes a repair, addition, or replacement under subdivision 16, or repair, renovation, or upgrading under subdivision 17, shall have the nursing facility's appraised value increased by the total historical cost of the repair, addition, or replacement exclusive of the proceeds from disposals of capital assets or applicable credits such as public grants and insurance proceeds. The property-related costs may be reported only after completion of the project and must be reported on a special cost report form provided by the commissioner. A nursing facility submitting a special cost report shall have the depreciation for the nursing facility reduced by a percentage equal to the percentage increase in the appraised value resulting from the repair, addition, or replacement under this paragraph. The incremental increase in a nursing facility's rental rate, determined under Minnesota Rules, part 9549.0080, and this section, resulting from the increased appraised value under this paragraph shall be added to its property-related payment rate and shall be effective on the first day of the month following the month in which the repair, addition, or replacement was completed.

Sec. 8. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 19. [REFINANCING INCENTIVE.] A nursing facility that refinances debt after May 30, 1992, in order to achieve a savings in annual interest expense payments shall receive as an incentive interest expense payments for the allowable refinanced debt plus payments of one-half the difference between the interest expense payments for the refinanced debt and the rate year in which

refinancing occurs and for the four consecutive rate years following the rate year in which refinancing occurs. The facility's rate under subdivision 13 shall be reduced by the incremental change in rate as provided in this subdivision and Minnesota Rules, parts 9549.0010 to 9549.0080, and this section resulting from the refinancing. To calculate the annual interest expense for the refinanced debt, the aggregate interest expense over the remaining term of the refinanced debt shall be divided by the remaining years of the term of the refinanced debt. For purposes of this subdivision, the annual interest for the debt prior to refinancing shall be calculated in the same manner. An increase in a nursing facility's debt for costs in subdivision 17, paragraph (b), clause (2), including the cost of refinancing the issuance or financing costs of the debt refinanced resulting from refinancing that meets the conditions of this section shall be allowed, notwithstanding Minnesota Rules, part 9549.0060, subpart 5, item A, subitem (6). The proceeds of refinancing may not be used for the purpose of withdrawing equity from the nursing facility. Sale of a nursing facility under subdivision 14 shall terminate the payment of the incentive payments under this subdivision effective the date provided in subdivision 14, paragraph (f), for the sale.

Sec. 9. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 20. [SPECIAL PROPERTY RATE SETTING.] For rate years beginning after June 30, 1992, the property-related rate for a nursing facility approved for total replacement under the moratorium exception process in section 144A.073 shall have its property-related rate under subdivision 13 recalculated using the greater of actual resident days or 80 percent of capacity days. This rate shall apply until the nursing facility is replaced or until the moratorium exception authority lapses, whichever is sooner.

Sec. 10. [NURSING FACILITY PLANT STUDY.]

The commissioner of health shall study the physical condition of all Minnesota nursing facilities. This study shall include an individual assessment of each facility to be performed after September 30, 1993, by one of the architectural firms authorized by the commissioner of health to conduct assessments. To qualify for authorization, an architectural firm must have actual experience and prior involvement with nursing home construction or remodeling projects. The commissioner shall select one or more architectural firms to conduct the individual facility assessment. The cost of the assessment shall be paid by the nursing facility and shall be considered an allowable cost under Minnesota Rules, parts 9549.0040, subpart 9, and 9549.0061, for rate years beginning after June 30, 1995. Prior to beginning the individual assessments, the commissioner shall convene a special task force to develop recommendations for the commissioner concerning the standards and

criteria by which the individual assessments must be conducted. The recommendation shall be provided to the commissioner by the task force by July 1, 1993. The criteria and standards for the study shall be established by the commissioner by September 30, 1993.

E

REMAINING STATUTORY CHANGES

Section 1. Minnesota Statutes 1990, section 144.122, is amended to read:

144.122 [LICENSE AND PERMIT FEES.]

(a) The state commissioner of health, by rule, may prescribe reasonable procedures and fees for filing with the commissioner as prescribed by statute and for the issuance of original and renewal permits, licenses, registrations, and certifications issued under authority of the commissioner. The expiration dates of the various licenses, permits, registrations, and certifications as prescribed by the rules shall be plainly marked thereon. Fees may include application and examination fees and a penalty fee for renewal applications submitted after the expiration date of the previously issued permit, license, registration, and certification. The commissioner may also prescribe, by rule, reduced fees for permits, licenses, registrations, and certifications when the application therefor is submitted during the last three months of the permit, license, registration, or certification period. Fees proposed to be prescribed in the rules shall be first approved by the department of finance. All fees proposed to be prescribed in rules shall be reasonable. The fees shall be in an amount so that the total fees collected by the commissioner will, where practical, approximate the cost to the commissioner in administering the program. All fees collected shall be deposited in the state treasury and credited to the general fund unless otherwise specifically appropriated by law for specific purposes.

(b) The commissioner may charge a fee for voluntary certification of medical laboratories and environmental laboratories, and for environmental and medical laboratory services provided by the department, without complying with paragraph (a) or chapter 14. Fees charged for environment and medical laboratory services provided by the department must be approximately equal to the costs of providing the services.

(c) The commissioner may develop a schedule of fees for diagnostic evaluations conducted at clinics held by the services for children with handicaps program. All receipts generated by the program are annually appropriated to the commissioner for use in the maternal and child health program.

(d) The commissioner, for fiscal years 1993 and beyond, shall set license fees for hospitals and nursing homes that are not boarding care homes at a level sufficient to recover, over a two-year period, the deficit associated with the collection of license fees from these facilities. The license fees for these facilities shall be set at the following levels:

Joint Commission on Accreditation of Healthcare Organizations (JCAHO hospitals)	$2,142
Non-JCAHO hospitals	$2,228 plus $138 per bed
Nursing home	$324 plus $76 per bed

For fiscal years 1993 and beyond, the commissioner shall set license fees for outpatient surgical centers, boarding care homes, and supervised living facilities at a level sufficient to recover, over a four-year period, the deficit associated with the collection of license fees from these facilities. The license fees for these facilities shall be set at the following levels:

Outpatient surgical centers	$1,645
Boarding care homes	$249 plus $58 per bed
Supervised living facilities	$249 plus $58 per bed.

Sec. 2. Minnesota Statutes 1990, section 144.123, subdivision 2, is amended to read:

Subd. 2. [RULES FOR FEE AMOUNTS.] The commissioner of health shall promulgate rules, in accordance with chapter 14, which shall specify the amount of the handling fee prescribed in subdivision 1. The fee shall approximate the costs to the department of handling specimens including reporting, postage, specimen kit preparation, and overhead costs. The fee prescribed in subdivision 1 shall be ~~$5~~ $15 per specimen until the commissioner promulgates rules pursuant to this subdivision.

Sec. 3. [144.3831] [FEES.]

Subdivision 1. [FEE SETTING.] The commissioner of health may assess an annual fee of $5.21 for every service connection to a public water supply that is owned or operated by a home rule or charter city, a statutory city, a city of the first class, or a town. The commissioner of health may also assess an annual fee for every service connection served by a water user district defined in section 110A.02.

Subd. 2. [COLLECTION AND PAYMENT OF FEE.] The public water supply described in subdivision 1 shall:

(1) collect the fees assessed on its service connections;

(2) pay the department of revenue an amount equivalent to the fees based on the total number of service connections. The service connections for each public water supply described in subdivision 1 shall be verified every four years by the department of health; and

(3) pay one-fourth of the total yearly fee to the department of revenue each calendar quarter. The first quarterly payment is due on or before March 30, 1993. In lieu of quarterly payments, a public water supply described in subdivision 1 with fewer than 50 service connections may make a single annual payment by June 30 each year, starting in 1993. The fees payable to the department of revenue shall be deposited in the state treasury as nondedicated general fund revenues.

Subd. 3. [LATE FEE.] The public water supply described in subdivision 1 shall pay a late fee in the amount of five percent of the amount of the fees due from the public water supply if the fees due from the public water supply are not paid within 30 days of the payment dates in subdivision 2, clause (3). The late fee that the public water supply shall pay shall be assessed only on the actual amount collected by the public water supply through fees on service connections.

Sec. 4. Minnesota Statutes 1991 Supplement, section 144.50, subdivision 6, is amended to read:

Subd. 6. [SUPERVISED LIVING FACILITY LICENSES.] (a) The commissioner may license as a supervised living facility a facility seeking medical assistance certification as an intermediate care facility for persons with mental retardation or related conditions for four or more persons as authorized under section 252.291.

(b) Class B supervised living facilities ~~seeking medical assistance certification as an intermediate care facility for persons with mental retardation or related conditions~~ shall be classified as follows for purposes of the state building code:

(1) Class B supervised living facilities for six or less persons must meet Group R, Division 3, occupancy requirements; and

(2) Class B supervised living facilities for seven to 16 persons must meet Group R, Division 1, occupancy requirements.

(c) Class B facilities classified under paragraph (b), clauses (1) and (2), must meet the fire protection provisions of chapter 21 of the 1985 life safety code, NFPA 101, for facilities housing persons with impractical evacuation capabilities, except that Class B facilities licensed prior to July 1, 1990, need only continue to meet institu-

tional fire safety provisions. Class B supervised living facilities shall provide the necessary physical plant accommodations to meet the needs and functional disabilities of the residents. For Class B supervised living facilities licensed after July 1, 1990, and housing nonambulatory or nonmobile persons, the corridor access to bedrooms, common spaces, and other resident use spaces must be at least five feet in clear width, except that a waiver may be requested in accordance with Minnesota Rules, part 4665.0600.

(d) The commissioner may license as a Class A supervised living facility a residential program for chemically dependent individuals that allows children to reside with the parent receiving treatment in the facility. The licensee of the program shall be responsible for the health, safety, and welfare of the children residing in the facility. The facility in which the program is located must be provided with a sprinkler system approved by the state fire marshal. The licensee shall also provide additional space and physical plant accommodations appropriate for the number and age of children residing in the facility. For purposes of license capacity, each child residing in the facility shall be considered to be a resident.

Sec. 5. Minnesota Statutes 1990, section 144A.071, subdivision 2, is amended to read:

Subd. 2. [MORATORIUM.] The commissioner of health, in coordination with the commissioner of human services, shall deny each request by a nursing home or boarding care home, except an intermediate care facility for the mentally retarded, for addition of new certified beds or for a change or changes in the certification status of existing beds except as provided in subdivision 3. The total number of certified beds in the state shall remain at or decrease from the number of beds certified on May 23, 1983, except as allowed under subdivision 3. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq.

The commissioner of human services, in coordination with the commissioner of health, shall deny any request to issue a license under sections 245A.01 to 245A.16 and 252.28 to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount. The commissioner of health shall deny each request for licensure of nursing home beds except as provided in subdivision 3.

In addition, the commissioner of health must not approve any construction project whose cost exceeds $200,000 or ten percent of the facility's appraised value, whichever is less, unless the project has been approved through the process described in section 144A.073, or meets an exception in subdivision 3.

Sec. 6. [144A.154] [RATE RECOMMENDATION.]

The commissioner may recommend to the commissioner of human services a review of the rates for a nursing home or boarding care home that participates in the medical assistance program that is in voluntary or involuntary receivership, and that has needs or deficiencies documented by the department of health. If the commissioner of health determines that a review of the rate under section 256B.495 is needed, the commissioner shall provide the commissioner of human services with:

(1) a copy of the order or determination that cites the deficiency or need; and

(2) the commissioner's recommendation for additional staff and additional annual hours by type of employee and additional consultants, services, supplies, equipment, or repairs necessary to satisfy the need or deficiency.

Sec. 7. Minnesota Statutes 1991 Supplement, section 144A.31, subdivision 2a, is amended to read:

Subd. 2a. [DUTIES.] The interagency committee shall identify long-term care issues requiring coordinated interagency policies and shall conduct analyses, coordinate policy development, and make recommendations to the commissioners for effective implementation of these policies. The committee shall refine state long-term goals, establish performance indicators, and develop other methods or measures to evaluate program performance, including client outcomes. The committee shall review the effectiveness of programs in meeting their objectives.

The committee shall also:

(1) facilitate the development of regional and local bodies to plan and coordinate regional and local services;

(2) recommend a single regional or local point of access for persons seeking information on long-term care services;

(3) recommend changes in state funding and administrative policies that are necessary to maximize the use of home and community-based care and that promote the use of the least costly alternative without sacrificing quality of care; ~~and~~

(4) develop methods of identifying and serving seniors who need minimal services to remain independent but who are likely to develop a need for more extensive services in the absence of these minimal services; and

(5) develop and implement strategies for advocating, promoting, and developing long-term care insurance and encourage insurance companies to offer long-term care insurance policies that are affordable and offer a wide range of benefits.

Sec. 8. Minnesota Statutes 1991 Supplement, section 148.91, subdivision 3, is amended to read:

Subd. 3. [FEE; TERM OF LICENSE.] An applicant shall pay a nonrefundable application fee set by the board. ~~The licenses granted by the board shall be for a period of three years and shall be renewed on a three-year basis.~~ The fee and term for a license and for renewal shall be set by the board.

Sec. 9. Minnesota Statutes 1991 Supplement, section 148.921, subdivision 2, is amended to read:

Subd. 2. [PERSONS PREVIOUSLY QUALIFIED.] The board shall grant a license for a licensed psychologist without further examination to a person who:

(1) before November 1, 1991, entered a graduate program granting a master's degree with a major in psychology at an educational institution meeting the standards the board has established by rule and earned a master's degree or a master's equivalent in a doctoral program;

(2) before November 1, 1992, filed with the board a written declaration of intent to seek licensure under this subdivision;

(3) complied with all requirements of section 148.91, subdivisions 2 to 4, before December 31, 1997; and

(4) completed at least two full years or their equivalent of post-master's supervised psychological employment before December 31, 1998.

Sec. 10. Minnesota Statutes 1991 Supplement, section 148.925, subdivision 1, is amended to read:

Subdivision 1. [PERSONS QUALIFIED TO PROVIDE SUPERVISION.] (a) Only the following persons are qualified to provide supervision for master's degree level applicants for licensure as a licensed psychologist:

(1) a licensed psychologist with a competency in supervision in professional psychology and in the area of practice being supervised; and

(2) a person who either is eligible for licensure as a licensed psychologist under section 148.91 or is eligible for licensure by reciprocity, and who, in the judgment of the board, is competent or experienced in supervising professional psychology and in the area of practice being supervised.

(b) Professional supervision of a doctoral level applicant for licensure as a licensed psychologist must be provided by a person:

(1) who meets the requirements of paragraph (a), clause (1) or (2), and

(2)(i) who has a doctorate degree with a major in psychology, or

(ii) who was licensed by the board as a psychologist before August 1, 1991, and is certified by the board as competent in supervision of applicants for licensure in accord with section 148.905, subdivision 1, clause (10), by August 1, 1993.

Sec. 11. Minnesota Statutes 1991 Supplement, section 148.925, subdivision 2, is amended to read:

Subd. 2. [SUPERVISORY CONSULTATION.] (a) Supervisory consultation between a supervising licensed psychologist and a supervised psychological practitioner must occur on a one-to-one basis at a ratio of at least one hour of supervision for the initial 20 or fewer hours of psychological services delivered per month and no less than one hour a month. The consultation must be at least one hour in duration. For each additional 20 hours of psychological services delivered per month, an additional hour of supervision must occur. However, if more than 20 hours of psychological services are provided in a week, no time period of supervision beyond one hour per week is required, but supervision must be adequate to assure the quality and competence of the services. Supervisory consultation must include discussions on the nature and content of the practice of the psychological practitioner, including but not limited to a review of a representative sample of psychological services in the supervisee's practice.

(b) Supervision of an applicant for licensure as a licensed psychologist must include at least two hours of regularly scheduled face-to-face consultations a week for full-time employment, one hour of which must be with the supervisor on a one-to-one basis. The remaining hour may be with other mental health professionals designated by the supervisor. The board may approve an exception to the weekly supervision requirement for a week when the supervisor was ill or otherwise unable to provide supervision. The board may prorate the two hours per week of supervision for persons preparing for licensure on a part-time basis.

Sec. 12. Minnesota Statutes 1991 Supplement, section 148.925, is amended by adding a subdivision to read:

Subd. 3. [WAIVER.] An applicant for licensure as a licensed psychologist who entered supervised employment before August 1, 1991, may request a waiver from the board of the supervision requirements in this section.

Sec. 13. Minnesota Statutes 1990, section 237.701, subdivision 1, is amended to read:

Subdivision 1. [TELEPHONE ASSISTANCE FUND.] The telephone assistance fund is created as a separate account in the state treasury to consist of amounts received by the department of administration representing the surcharge authorized by section 237.70, subdivision 6, and amounts earned on the fund assets. Money in the fund may be used only for:

(1) reimbursement to telephone companies for expenses and credits allowed in section 237.70, subdivision 7, paragraph (d), clause (5);

(2) reimbursement of the administrative expenses of the department of human services to implement sections 237.69 to 237.71, not to exceed ~~$180,000~~ $314,000 annually; and

(3) reimbursement of the administrative expenses of the commission not to exceed $25,000 annually.

Sec. 14. [241.075] [TRANSFER OF PERSONNEL.]

Notwithstanding any other law to the contrary, the commissioner of corrections may transfer authorized positions between institutions under the commissioner's control in order to more properly staff the institutions.

Sec. 15. [244.17] [BOOT CAMP PROGRAM.]

Subdivision 1. [GENERALLY.] The commissioner may select offenders who meet the eligibility requirements of subdivisions 2 and 3 to participate in the boot camp program described in sections 244.171 and 244.172 for all or part of the offender's sentence if the offender agrees to participate in the program and signs a written contract with the commissioner agreeing to comply with the program's requirements.

Subd. 2. [ELIGIBILITY.] The commissioner must limit the boot camp program to the following persons:

(1) offenders who are committed to the commissioner's custody following revocation of a stayed sentence; and

(2) offenders who are committed to the commissioner's custody for a term of imprisonment of not less than 18 months nor more than 36 months and who did not receive a dispositional departure under the sentencing guidelines.

Subd. 3. [OFFENDERS NOT ELIGIBLE.] The following offenders are not eligible to be placed in the boot camp program:

(1) offenders who are committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct, assault, kidnapping, robbery, arson, or any other offense involving death or personal injury; and

(2) offenders who previously were convicted of an offense described in clause (1) and were committed to the custody of the commissioner.

Sec. 16. [244.171] [BOOT CAMP PROGRAM; BASIC ELEMENTS.]

Subdivision 1. [REQUIREMENTS.] The commissioner shall operate the boot camp program in conformance with this section. The commissioner shall administer the program to further the following goals:

(1) to punish the offender;

(2) to protect the safety of the public;

(3) to enhance the employment skills of the offender during the boot camp program and afterward;

(4) to use offenders to accomplish community service initiatives, goals, and projects; and

(5) to facilitate treatment of offenders who are chemically dependent.

Subd. 2. [GOOD TIME NOT AVAILABLE.] An offender in the boot camp program does not earn good time during phases I and II of the program, notwithstanding section 244.04.

Subd. 3. [SANCTIONS.] The commissioner shall impose severe and meaningful sanctions for violating the conditions of the boot camp program. The commissioner shall remove an offender from the boot camp program if the offender:

(1) commits a material violation of or repeatedly fails to follow the rules of the program;

(2) commits any misdemeanor, gross misdemeanor, or felony offense; or

(3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The removal of an offender from the boot camp program is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender who is removed from the boot camp program shall be imprisoned for a time period equal to the offender's original term of imprisonment, minus earned good time if any, but in no case for longer than the time remaining in the offender's sentence. "Original term of imprisonment" means a time period equal to two-thirds of the sentence originally executed by the sentencing court, minus jail credit, if any.

Sec. 17. [244.172] [BOOT CAMP PROGRAM; PHASES I to III.]

Subdivision 1. [PHASE I.] Phase I of the program lasts at least six months. The offender must be confined in a state correctional facility designated by the commissioner and must successfully participate in all intensive treatment, education, and work programs required by the commissioner. The offender must also submit on demand to random drug and alcohol testing at time intervals set by the commissioner. For the first three months of phase I, the offender may not receive visitors or telephone calls, except under emergency circumstances.

Subd. 2. [PHASE II.] Phase II of the program lasts at least six months. The offender shall serve this phase of the offender's sentence in an intensive community supervision program established by the commissioner under section 244.13. The commissioner may impose on the offender any of the requirements described in section 244.15, subdivisions 2 to 7, provided that the offender must be required to submit to daily drug and alcohol tests for the first three months, biweekly tests for the next two months, and weekly tests for the remainder of phase II. The commissioner shall also require the offender to report daily to a day-reporting facility designated by the commissioner. In addition, if the commissioner required the offender to undergo acupuncture during phase I, the offender must continue to submit to acupuncture treatment throughout phase II.

Subd. 3. [PHASE III.] Phase III lasts for the remainder of the offender's sentence. During phase III, the commissioner shall place the offender on supervised release under section 244.05. The commissioner shall set the level of the offender's supervision based on the public risk presented by the offender.

Sec. 18. [244.173] [BOOT CAMP PROGRAM; EVALUATION AND REPORT.]

The commissioner shall develop a system for gathering and analyzing information concerning the value and effectiveness of the boot camp program. The commissioner shall report to the legislature by January 1, 1996, on the operation of the program.

Sec. 19. [245.731] [GRANTS FOR MENTAL HEALTH SERVICES FOR VICTIMS OF DOMESTIC VIOLENCE.]

The commissioner of human services shall establish a pilot project to grant funds to certified nonprofit community mental health centers for the purpose of providing professional counseling services to victims of domestic violence. In the biennium ending June 30, 1993, the commissioner shall select at least two programs to receive pilot project funds; one program shall be located in the seven-county metropolitan area; the other program shall be in an outstate county. In selecting project sites, the commissioner shall give priority to clinics with past experience in providing special mental health services for battered women and other victims of domestic violence. Applications for pilot project funds shall include methods for evaluating the proposed project. The commissioner shall report to the legislature no later than January 1994 on the results of the pilot projects funded under this section, and shall make recommendations on methods for future statewide funding of mental health services for victims of domestic violence.

Sec. 20. Minnesota Statutes 1990, section 245A.02, is amended by adding a subdivision to read:

Subd. 15. [RESPITE CARE SERVICES.] "Respite care services" means temporary services provided to a person due to the absence or need for relief of the person's family member or legal representative who is the primary caregiver and principally responsible for the care and supervision of the person. Respite care services are those that provide the level of supervision and care that is necessary to ensure the health and safety of the person. Respite care services do not include services that are specifically directed toward the training and habilitation of the person.

Sec. 21. Minnesota Statutes 1991 Supplement, section 245A.03, subdivision 2, is amended to read:

Subd. 2. [EXCLUSION FROM LICENSURE.] Sections 245A.01 to 245A.16 do not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not abuse chemicals or who do not have a chemical dependency, a mental illness, mental retardation or a related condition, a functional impairment, or a physical handicap;

(4) sheltered workshops or work activity programs that are certified by the commissioner of jobs and training;

(5) programs for children enrolled in kindergarten to the 12th grade and prekindergarten regular and special education programs that are operated by the commissioner of education or a school as defined in section 120.101, subdivision 4;

(6) nonresidential programs for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building or present on property that is contiguous with the physical facility where the nonresidential program is provided;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness who have refused an appropriate residential program offered by a county agency. This exclusion expires on July 1, 1990;

(9) homes providing programs for persons placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;

(11) recreation programs for children or adults that operate for fewer than 40 calendar days in a calendar year;

(12) programs whose primary purpose is to provide, for adults or school-age children, including children who will be eligible to enter kindergarten within not more than four months, social and recreational activities, such as scouting, boys clubs, girls clubs, sports, or the arts; except that a program operating in a school building is not excluded unless it is approved by the district's school board;

(13) head start nonresidential programs which operate for less than 31 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or mental retardation;

(15) nonresidential programs for nonhandicapped children provided for a cumulative total of less than 30 days in any 12-month period;

(16) residential programs for persons with mental illness, that are located in hospitals, until the commissioner adopts appropriate rules;

(17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;

(18) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

(19) mental health outpatient services for adults with mental illness or children with emotional disturbance; ~~or~~

(20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules;

(21) unrelated individuals who provide out-of-home respite care services to persons with mental retardation or related conditions from a single related family for no more than 30 days in a 12-month period and the respite care services are for the temporary relief of the person's family or legal representative; or

(22) respite care services provided as a home- and community-based service to a person with mental retardation or a related condition, in the person's primary residence.

For purposes of clause (5), the department of education, after consulting with the department of human services, shall adopt standards applicable to preschool programs administered by public schools that are similar to Minnesota Rules, parts 9503.005 to 9503.0175. These standards are exempt from rulemaking under chapter 14.

Sec. 22. Minnesota Statutes 1990, section 245A.13, subdivision 4, is amended to read:

Subd. 4. [FEE.] A receiver appointed under an involuntary receivership or the managing agent is entitled to a reasonable fee as determined by the court. ~~The fee is governed by section 256B.495.~~

Sec. 23. [246.0135] [OPERATION OF REGIONAL TREATMENT CENTERS.]

The commissioner of human services is prohibited from closing any regional treatment center or any program at any of the regional treatment centers without specific legislative authorization. The commissioner is prohibited from transferring patients from one regional treatment center to another, except as follows: (1) the individual to be transferred is under a commitment order issued under chapter 253B within the prior year; or (2) the transfer is authorized by the special review board under section 253B.18; or (3) for persons with mental retardation or related conditions who move from one regional treatment center to another regional treatment center, the provisions of section 256B.092, subdivision 10, are followed for both the discharge from one regional treatment center and admission to another regional treatment center, except that the move is not subject to the consensus requirement of section 256B.092, subdivision 10, paragraph (b); or (4) for persons who are mentally ill or chemically dependent the transfer is specifically authorized in an individual's treatment plan, in accordance with the applicable state and federal laws governing the individual's disability group.

Sec. 24. Minnesota Statutes 1990, section 252.025, subdivision 4, is amended to read:

Subd. 4. [STATE-PROVIDED SERVICES.] (a) It is the policy of the state to capitalize and recapitalize the regional treatment centers as necessary to prevent depreciation and obsolescence of physical facilities and to ensure they retain the physical capability to provide residential programs. Consistent with that policy and with section 252.50, and within the limits of appropriations made available for this purpose, the commissioner may establish, by June 30, 1991, the following state-operated, community-based programs for the least vulnerable regional treatment center residents: at Brainerd regional services center, two residential programs and two day programs; at Cambridge regional treatment center, four residential programs and two day programs; at Faribault regional treatment center, ten residential programs and six day programs; at Fergus Falls regional treatment center, two residential programs and one day program; at Moose Lake regional treatment center, four residential programs and two day programs; and at Willmar regional treatment center, two residential programs and one day program.

(b) By January 15, 1991, the commissioner shall report to the legislature a plan to provide continued regional treatment center capacity and state-operated, community-based residential and day programs for persons with developmental disabilities at Brainerd, Cambridge, Faribault, Fergus Falls, Moose Lake, St. Peter, and Willmar, as follows:

(1) by July 1, 1998, continued regional treatment center capacity to serve 350 persons with developmental disabilities as follows: at Brainerd, 80 persons; at Cambridge, 12 persons; at Faribault, 110 persons; at Fergus Falls, 60 persons; at Moose Lake, 12 persons; at St. Peter, 35 persons; at Willmar, 25 persons; and up to 16 crisis beds in the Twin Cities metropolitan area; and

(2) by July 1, 1999, continued regional treatment center capacity to serve 254 persons with developmental disabilities as follows: at Brainerd, 57 persons; at Cambridge, 12 persons; at Faribault, 80 persons; at Fergus Falls, 35 persons; at Moose Lake, 12 persons; at St. Peter, 30 persons; at Willmar, 12 persons, and up to 16 crisis beds in the Twin Cities metropolitan area. In addition, the plan shall provide for the capacity to provide residential services to 570 persons with developmental disabilities in 95 state-operated, community-based residential programs.

The commissioner is subject to a mandamus action under chapter 586 for any failure to comply with the provisions of this subdivision.

Sec. 25. Minnesota Statutes 1991 Supplement, section 252.28, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATIONS; ~~BIENNIAL~~ REDETERMINATIONS.] In conjunction with the appropriate county boards, the commissioner of human services shall determine, and shall redetermine ~~biennially~~ at least every four years, the need, location, size, and program of public and private residential services and day training and habilitation services for persons with mental retardation or related conditions. This subdivision does not apply to semi-independent living services and residential-based habilitation services provided to four or fewer persons at a site funded as home and community-based services.

Sec. 26. Minnesota Statutes 1991 Supplement, 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 ~~increased by no more than~~. 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 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. 27. Minnesota Statutes 1991 Supplement, section 252.50, subdivision 2, is amended to read:

Subd. 2. [AUTHORIZATION TO BUILD OR PURCHASE.] Within the limits of available appropriations, the commissioner may build, purchase, or lease suitable buildings for state-operated, community-based programs. The commissioner must develop the state-operated community residential facilities authorized in the worksheets of the house appropriations and senate finance committees. If financing through state general obligation bonds is not available, the commissioner shall finance the purchase or construction of state-operated, community-based facilities with the Minnesota housing finance agency. The commissioner shall make payments through the department of administration to the Minnesota housing finance agency in repayment of mortgage loans granted for the purposes of this section. Programs must be adaptable to the needs of persons with mental retardation or related conditions and residential programs must be homelike.

Sec. 28. [252.71] [PAYMENTS TO BUSINESSES TO PROVIDE SUPPORT AND SUPERVISION OF PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS IN COMMUNITY-BASED EMPLOYMENT.]

Subdivision 1. [COUNTY AUTHORIZATION.] Notwithstanding requirements in chapter 245A and sections 252.28, 252.40 to 252.47, and 256B.501, county boards may authorize payments to businesses to provide additional training and supervision that is needed by individuals in order to maintain their employment. A "qualified business" is a business that employs persons with mental retardation or related conditions but is not licensed or certified to provide job training and support to disabled persons.

Payments may be made directly to a qualified business by a county board or through other vendors of employment services. The total cost of the training and support provided by the business and the vendor must be less than the total cost of the training and support previously authorized by the commissioner for the person.

Subd. 2. [HOST COUNTY CONTRACT.] For a county board to be eligible for state and federal reimbursement, there must be a contract between the county board and the business. This contract must be time-limited and developed in accordance with applicable federal and state requirements and include the following:

(1) the type and amount of supervision and support to be provided to individuals in accordance with their needs as identified in their individual service plans;

(2) methods used to periodically assess individuals' satisfaction with their work, training, and support; and

(3) measures taken by the business to assure the health, safety, and protection of individuals during working hours, including the reporting of abuse and neglect in accordance with state law and rules.

Subd. 3. [CLIENT PROTECTION.] Individuals receiving training and support under this section may not be denied their rights or procedural protections under section 256.045, subdivision 4a, or 256B.092, including the county agency's responsibility to arrange for appropriate services, as necessary, in the event that the person loses the job or the contract with the business is terminated.

Subd. 4. [PAYMENT FOR SERVICES.] The county may authorize payment to a business for any person with mental retardation or a related condition who is otherwise eligible for day training and habilitation services. Payments shall be limited to:

(1) additional training costs of coworkers and managers that exceed ordinary and customary training costs and are a direct result of employing a person with mental retardation or a related condition; and

(2) additional costs of training, supervising, and assisting a person with mental retardation or a related condition that exceeds normal and customary costs required for performing similar tasks or duties.

Payments made to a business under this section must not include incentive payments or salary supplementation for the person. Nothing in this section shall prohibit a vendor of employment services from entering into contracts with businesses for the provision of day training and habilitation services.

Sec. 29. [252.72] [ALTERNATIVE SERVICES FOR OLDER PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

Subdivision 1. [PURPOSE.] It is the purpose of this section to establish day service alternatives for older persons with mental retardation or a related condition.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them in this subdivision:

(a) "Active treatment" means the definition given in Health and Human Services Code of Federal Regulations, title 42, chapter IV, section 483.440.

(b) "Alternative service" or "service alternatives" means a program alternative to day training and habilitation, available for older persons who are eligible under this section.

(c) "County" means the county board where the proposed alternative services will be located.

(d) "ICF/MR" means intermediate care facility for persons with mental retardation or related conditions.

(e) "Legal representative" means a person's guardian or conservator.

(f) "Person" means a person with mental retardation or related conditions who is at least 62 years of age. The commissioner may include individuals who are less than 62 years of age, but who require these special services for health or medical reasons.

(g) "Vendor" means an individual or organization licensed under Minnesota Rules, parts 9525.0210 to 9525.0430, 9525.1500 to 9525.1690, and 9525.2000 to 9525.2140, or an individual or organization approved by the county to provide service alternatives.

Subd. 3. [COMMISSIONER APPROVAL.] Notwithstanding requirements in sections 252.28, 252.40 to 252.47, and 256B.501, the commissioner of human services may authorize service alternatives to day training and habilitation services for persons specified in subdivision 2, paragraph (f). Alternative services may be provided by the existing day training and habilitation vendor, the residential vendor, or other qualified vendors selected by the county when the following conditions are met:

(1) the county has submitted a proposal to the commissioner, pursuant to subdivision 4 of this section, and has received written authorization from the commissioner to provide alternative services to eligible persons;

(2) the host county has a negotiated rate contract with an approved vendor as defined in this section; and

(3) the cost for the person's proposed service alternative will be less than or equal to the cost of the person's day training and habilitation services.

Subd. 4. [COUNTY PROPOSAL CONTENTS AND COMMISSIONER APPROVAL.] To be considered for the commissioner's approval, county proposals for alternative services must include the following:

(1) a description of persons who may receive alternative services and a description of the alternative services, including the proposed vendors;

(2) assurance that persons proposed to receive alternative services

will be or have been authorized based on their assessed needs and preferences for alternative services and in accordance with subdivision 5 and that the decision to receive alternative services was actually made by the person or the person's legal representative;

(3) a description of measures undertaken by the county to assure sufficient oversight by a person or organization other than the residential service provider when the residential service vendor is also the vendor of the alternative service;

(4) a statement of the proposed cost and the method of payment for the alternative service, including assurance that the cost will not exceed the cost of day training and habilitation;

(5) assurance that the county will provide timely reports to the commissioner of human services about who has been authorized to receive alternative services, in order to assure proper reimbursement of the vendor; and

(6) assurance that the county of financial responsibility has approved of the plan for alternative services.

Subd. 5. [RIGHTS AND PROTECTIONS.] (a) Persons and their legal representatives, if any, may choose service alternatives when made available by the county and authorized by the commissioner. Counties shall inform persons and their legal representatives, if any, in writing, of their option to participate in service alternatives, or to continue work or attendance at a training and habilitation facility.

(b) Persons participating in service alternatives shall continue to receive the amount and type of active treatment determined to be needed in their individual service plans and to assure compliance with federal regulations, as applicable.

(c) All persons referred for participation in the service alternative shall be informed when any part of Minnesota Rules is waived. No person shall be denied rights or procedural protection provided under sections 256.045, subdivision 4a, and 256B.092.

Subd. 6. [PAYMENT FOR ALTERNATIVE SERVICES.] (a) Payment for alternative services shall be made to approved vendors under the conditions of existing contracts with the host county, except for intermediate care facilities for persons with mental retardation or a related condition reimbursed through Minnesota Rules, parts 9553.0010 to 9553.0080. When alternative services under this section are provided by an intermediate care facility for persons with mental retardation or related conditions, the following reimbursement and reporting procedures will be applied.

(b) Effective upon date of enactment, the commissioner shall, for a

facility determined to be eligible under this section, negotiate an adjustment to the payment rate. The negotiated adjustment must reflect only the actual programmatic costs of meeting the alternative day training and habilitation needs of persons participating in service alternatives under this section. Additional programmatic costs must not include administrative and property-related costs. The additional programmatic costs shall be limited to:

(1) program salaries, payroll taxes, and fringe benefits of facility employees providing direct care services;

(2) costs of program consultants providing direct care services;

(3) training costs of facility employees providing direct care services;

(4) costs of program supplies; and

(5) additional operating costs related to transporting persons to community activities which have not been included in the facility's payment rate.

The additional programmatic costs must be reported on the facility's annual cost report in the program operating cost category. A facility receiving a negotiated adjustment to its payment rate must agree to report these payments on an accrual basis as an applicable credit in the program operating cost category on its annual cost report for each reporting year in which a negotiated adjustment is in effect. The maximum amount of the negotiated adjustment shall not exceed the cost of the day training and habilitation service provided to a person just prior to entering alternative services.

(c) The negotiated per diem adjustment to the facility's payment rate shall be equal to the sum of the negotiated programmatic costs divided by the facility's resident days for the reporting year used to establish the payment rate being adjusted. The adjusted payment rate shall be effective the first day of the month following the month when a person ceases receiving day training and habilitation services. The negotiated per diem adjustment may be subject to renegotiation on October 1 of each subsequent rate year. The negotiated per diem adjustment shall terminate upon discharge of the person from the facility, or at such time when the person is determined by the commissioner to no longer require service alternatives.

(d) Upon statewide implementation of a residential client-based reimbursement system for ICF/MR facilities, parts or all of this subdivision shall be subject to amendment, if no longer applicable, as determined by the commissioner.

Sec. 30. Minnesota Statutes 1990, section 254A.03, subdivision 2, is amended to read:

Subd. 2. [AMERICAN INDIAN PROGRAMS.] There is hereby created a division of American Indian programs, within the alcohol and drug abuse section of the department of human services, ~~the position of~~ to be headed by a special assistant for American Indian programs on alcoholism and drug abuse and an assistant to that position. The division shall be staffed with all personnel necessary to fully administer programming for alcohol and drug abuse for American Indians in the state. The special assistant position shall be filled by a person with considerable practical experience in and understanding of alcohol and other drug abuse problems in the American Indian community, who shall be responsible to the director of the alcohol and drug abuse section created in subdivision 1 and shall be in the unclassified service. The special assistant shall meet with the American Indian advisory council as described in section 254A.035 and serve as a liaison to the Minnesota Indian affairs council to report on the status of alcohol and other drug abuse among American Indians in the state of Minnesota. The special assistant with the approval of the director shall:

(a) Administer funds appropriated for American Indian groups, organizations and reservations within the state for American Indian alcoholism and drug abuse programs.

(b) Establish policies and procedures for such American Indian programs with the assistance of the American Indian advisory board.

(c) Hire and supervise staff to assist in the administration of the American Indian program division within the alcohol and drug abuse section of the department of human services.

Sec. 31. Minnesota Statutes 1991 Supplement, section 254B.04, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, persons eligible for medical assistance benefits under sections 256B.055 and 256B.056 or who meet the income standards of section 256B.056, subdivision 4, and persons eligible for general assistance medical care under section 256D.03, subdivision 3, are entitled to chemical dependency fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) A person not entitled to services under paragraph (a), but with family income that is less than 60 percent of the state median income for a family of like size and composition, shall be eligible to receive chemical dependency fund services within the limit of funds

available after persons entitled to services under paragraph (a) have been served. A county may spend money from its own sources to serve persons under this paragraph. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(c) Persons whose income is between 60 percent and 115 percent of the state median income shall be eligible for chemical dependency services on a sliding fee basis, within the limit of funds available, after persons entitled to services under paragraph (a) and persons eligible for services under paragraph (b) have been served. Persons eligible under this paragraph must contribute to the cost of services according to the sliding fee scale established under subdivision 3. A county may spend money from its own sources to provide services to persons under this paragraph. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(d) Notwithstanding the provisions of paragraphs (b) and (c), state funds appropriated to serve persons who are not entitled under the provisions of paragraph (a), shall be expended for chemical dependency treatment services for nonentitled but eligible persons who have children in their household, are pregnant, or are younger than 18 years old. These persons may have household incomes up to 60 percent of the state median income. Any funds in addition to the amounts necessary to serve the persons identified in this paragraph shall be expended according to the provisions of paragraphs (b) and (c).

Sec. 32. Minnesota Statutes 1991 Supplement, section 256.031, subdivision 3, is amended to read:

Subd. 3. [AUTHORIZATION FOR THE DEMONSTRATION.] (a) The commissioner of human services, in consultation with the commissioners of education, finance, jobs and training, health, and planning, and the director of the higher education coordinating board, is authorized to proceed with the planning and designing of the Minnesota family investment plan and to implement the plan to test policies, methods, and cost impact on an experimental basis by using field trials. The commissioner, under the authority in section 256.01, subdivision 2, shall implement the plan according to sections 256.031 to 256.0361 and Public Law Numbers 101-202 and 101-239, section 8015, as amended. If major and unpredicted costs to the program occur, the commissioner may take corrective action consistent with Public Law Numbers 101-202 and 101-239, which may include termination of the program. Before taking such corrective action, the commissioner shall consult with the chairs of the senate health and human services committee, the house health and human services committee, the health and human services division of the senate finance committee and the human resources division of

the house appropriations committee, or, if the legislature is not in session, consult with the legislative advisory commission.

(b) The field trials shall be conducted as permitted under federal law, for as many years as necessary, and in different geographical settings, to provide reliable instruction about the desirability of expanding the program statewide.

(c) The commissioner shall select the counties which shall serve as field trial or ~~control~~ comparison sites based on criteria which ensure reliable evaluation of the program.

(d) The commissioner is authorized to determine the number of families and characteristics of subgroups to be included in the evaluation.

(i) A family that applies for or is currently receiving financial assistance from aid to families with dependent children; family general assistance or work readiness; or food stamps may be tested for eligibility for aid to families with dependent children or family general assistance and may be assigned by the commissioner to ~~an experimental~~ a test or a ~~control~~ comparison group for the purposes of evaluating the family investment plan. A family found not eligible for aid to families with dependent children or family general assistance will be tested for eligibility for the food stamp program. If found eligible for the food stamp program, the commissioner may randomly assign the family to a test group, comparison group, or neither group. Families assigned to ~~an experimental~~ a test group receive benefits and services through the family investment plan. Families assigned to a ~~control~~ comparison group receive benefits and services through existing programs. A family may not select the group to which it is assigned. Once assigned to a group, ~~a~~ an eligible family must remain in that group for the duration of the project.

(ii) To evaluate the effectiveness of the family investment plan, the commissioner may designate a subgroup of families from the ~~experimental~~ test group who shall be exempt from section 256.035, subdivision 1, and shall not receive case management services under section 256.035, subdivision 6a. Families are eligible for services under section 256.736 to the same extent as families receiving AFDC.

Sec. 33. Minnesota Statutes 1991 Supplement, section 256.033, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY CONDITIONS.] (a) A family is entitled to assistance under the Minnesota family investment plan if the family is assigned to a test group in the evaluation as provided in section 256.031, subdivision 3, paragraph (d), and:

(1) the family meets the definition of assistance unit under section 256.032, subdivision 1a;

(2) the family's resources not excluded under subdivision 3 do not exceed $2,000;

(3) the family can verify citizenship or lawful resident alien status;

(4) the family provides or applies for a social security number for each member of the family receiving assistance under the family investment plan; and

(5) the family assigns child support collection to the county agency.

(b) A family is eligible for the family investment plan if the net income is less than the transitional standard as defined in section 256.032, subdivision 13, for that size and composition of family. In determining available net income, the provisions in subdivision 2 shall apply.

(c) Upon application, a family is initially eligible for the family investment plan if the family's gross income does not exceed the applicable transitional standard of assistance for that family as defined under section 256.032, subdivision 13, after deducting:

(1) 18 percent to cover taxes;

(2) actual dependent care costs up to the maximum disregarded under United States Code, title 42, section 602(a)(8)(A)(iii); and

(3) $50 of child support collected in that month.

(d) A family can remain eligible for the program if:

(1) it meets the conditions in section 256.035, subdivision 4; and

(2) its income is below the transitional standard in section 256.032, subdivision 13, allowing for income exclusions in subdivision 2 and after applying the family investment plan treatment of earnings under section 256.035, subdivision 4.

Sec. 34. Minnesota Statutes 1991 Supplement, section 256.033, subdivision 2, is amended to read:

Subd. 2. [DETERMINATION OF FAMILY INCOME.] The aid to families with dependent children income exclusions listed in Code of Federal Regulations, title 45, sections 233.20(a)(3) and 233.20(a)(4),

must be used when determining a family's available income, except that:

(1) all earned income of a minor child receiving assistance through the Minnesota family investment plan is excluded when the child is attending school at least half-time;

(2) all earned income tax credit payments received by the family as a refund of federal income taxes or made as advance payments are excluded in accordance with United States Code, title 42, section 602(a)(8)(A)(viii);

(3) educational grants and loans as provided in section 256.74, subdivision 1, clause (2), are excluded;

(4) all other income listed in Minnesota Rules, part 9500.2380, subpart 2, is excluded; and

(5) when determining income available from members of the family who do not elect to be included in the assistance unit under section 256.032, subdivision 1a, paragraphs (c) and (e), the county agency shall count the remaining income after disregarding:

(i) the first 18 percent of the excluded family member's gross earned income;

(ii) an amount for the support of ~~the~~ any stepparent or any parent of a minor caregiver and any other individuals whom the stepparent or parent of the minor caregiver claims as dependents for determining federal personal income tax liability and who live in the same household but whose needs are not considered in determining eligibility for assistance under sections 256.031 to 256.033. The amount equals the transitional standard in section 256.032, subdivision 13, for a family of the same size and composition;

(iii) amounts the stepparent or parent of the minor caregiver actually paid to individuals not living in the same household but whom the stepparent claims as dependents for determining federal personal income tax liability; and

(iv) alimony or child support, or both, paid by the stepparent or parent of the minor caregiver for individuals not living in the same household.

Sec. 35. Minnesota Statutes 1991 Supplement, section 256.033, subdivision 3, is amended to read:

Subd. 3. [DETERMINATION OF FAMILY RESOURCES.] When determining a family's resources, the following are excluded:

(1) the family's home, together with surrounding property ~~that does not exceed ten acres and that is~~ not separated from the home by intervening property owned by others;

(2) one burial plot for each family member;

(3) one prepaid burial contract with an equity value of no more than $1,500 for each member of the family;

(4) licensed automobiles, trucks, or vans up to a total equity value of $4,500;

(5) personal property needed to produce earned income, including tools, implements, farm animals, and inventory;

(6) the entire equity value of a motor vehicle determined to be necessary for the operation of a self-employment business; and

(7) clothing, necessary household furniture, equipment, and other basic maintenance items essential for daily living.

Sec. 36. Minnesota Statutes 1991 Supplement, section 256.033, subdivision 5, is amended to read:

Subd. 5. [ABILITY TO APPLY FOR FOOD STAMPS.] A family that is ineligible for assistance through the Minnesota family investment plan due to income or resources or has not been assigned to a test group in the evaluation as provided in section 256.031, subdivision 3, paragraph (d), may apply for, and if eligible receive, benefits under the food stamp program.

Sec. 37. Minnesota Statutes 1991 Supplement, section 256.034, subdivision 3, is amended to read:

Subd. 3. [MODIFICATION OF ELIGIBILITY TESTS.] (a) A needy family is eligible and entitled to receive assistance under the program if the family is assigned to a test group in the evaluation as provided in section 256.031, subdivision 3, paragraph (d), even if its children are not found to be deprived of parental support or care by reason of death, continued absence from the home, physical or mental incapacity of a parent, or unemployment of a parent, provided the family's income and resources do not exceed the eligibility requirements in section 256.033. In addition, a caregiver who is in the assistance unit who is physically and mentally fit, who is between the ages of 18 and 60 years, who is enrolled at least half time in an institution of higher education, and whose family income and resources do not exceed the eligibility requirements in section 256.033, is eligible for assistance under the Minnesota family investment plan if the family is assigned to a test group in the evaluation as provided in section 256.031, subdivision 3, paragraph

(d), even if the conditions for eligibility as prescribed under the federal Food Stamp Act of 1977, as amended, are not met.

(b) An applicant for, or a person receiving, assistance under the Minnesota family investment plan is considered to have assigned to the public agency responsible for child support enforcement at the time of application all rights to child support, health care benefits coverage, and maintenance from any other person the applicant may have in the applicant's own behalf or on behalf of any other family member for whom application is made under the Minnesota family investment plan. The provisions of section 256.74, subdivision 5, govern the assignment. An applicant for, or a person receiving, assistance under the Minnesota family investment plan shall cooperate with the efforts of the county agency to collect child and spousal support. The county agency is entitled to any child support and maintenance received by or on behalf of the person receiving assistance or another member of the family for which the person receiving assistance is responsible. Failure by an applicant or a person receiving assistance to cooperate with the efforts of the county agency to collect child and spousal support without good cause must be sanctioned according to section 256.035, subdivision 3.

(c) An applicant for, or a person receiving, assistance under the Minnesota family investment plan is not required to comply with the employment and training requirements prescribed under sections 256.736, subdivisions 3, 3a, and 14; and 256D.05, subdivision 1; section 402(a)(19) of the Social Security Act; the federal Food Stamp Act of 1977, as amended; Public Law Number 100-485; or any other state or federal employment and training program, unless and to the extent compliance is specifically required in a family support agreement with the county agency or its designee.

Sec. 38. Minnesota Statutes 1991 Supplement, section 256.035, subdivision 1, is amended to read:

Subdivision 1. [EXPECTATIONS.] All families eligible for assistance under the family investment plan who are assigned to a test group in the evaluation as provided in section 256.031, subdivision 3, paragraph (d), are expected to be in transitional status as defined in section 256.032, subdivision 12. To be considered in transitional status, families must meet the following expectations:

(a) For a family headed by a single adult parental caregiver, the expectation is that the parental caregiver will independently pursue self-sufficiency until the family has received assistance for 24 months within the preceding 36 months. Beginning with the 25th month of assistance, the parent must be developing or complying with the terms of the family support agreement.

(b) For a family with a minor parental caregiver or a family whose

parental caregiver is 18 or 19 years of age and does not have a high school diploma or its equivalent, the expectation is that, concurrent with the receipt of assistance, the parental caregiver must be developing or complying with a family support agreement. The terms of the family support agreement must include compliance with section 256.736, subdivision 3b. However, if the assistance unit does not comply with section 256.736, subdivision 3b, the sanctions in subdivision 3 apply.

(c) For a family with two adult parental caregivers, the expectation is that at least one parent will independently pursue self-sufficiency until the family has received assistance for six months within the preceding 12 months. Beginning with the seventh month of assistance, one parent must be developing or complying with the terms of the family support agreement.

Sec. 39. Minnesota Statutes 1991 Supplement, section 256.0361, subdivision 2, is amended to read:

Subd. 2. [FINANCIAL REIMBURSEMENT.] (a) Up to the limit of the state appropriation, a county selected by the commissioner to serve as a field trial or a ~~control~~ comparison site for the Minnesota family investment plan shall be reimbursed by the state for the nonfederal share of administrative costs that were incurred during the development, implementation, and operation of the program and that exceed the administrative costs that would have been incurred in the absence of the program.

(b) Minnesota family investment plan assistance is included as covered programs and services under section 256.025, subdivision 2.

Sec. 40. Minnesota Statutes 1990, section 256.81, is amended to read:

256.81 [COUNTY AGENCY, DUTIES.]

(1) The county agency shall keep such records, accounts, and statistics in relation to aid to families with dependent children as the state agency shall prescribe.

(2) Each grant of aid to families with dependent children shall be paid to the recipient by the county agency unless paid by the state agency. Payment must be by check or electronic means except in those instances in which the county agency, subject to the rules of the state agency, determines that payments for care shall be made to an individual other than the parent or relative with whom the dependent child is living or to vendors of goods and services for the benefit of the child because such parent or relative is unable to properly manage the funds in the best interests and welfare of the child. At the request of a recipient, the state or county may make

payments directly to vendors of goods and services, but only for goods and services appropriate to maintain the health and safety of the child, as determined by the county. The state or county may ask the recipient to give written consent authorizing the state or county to provide advance notice to a vendor before vendor payments are reduced or terminated. Whenever possible under state and federal laws and regulations, the state or county shall provide at least 30 days notice to vendors before vendor payments are reduced or terminated. If 30 days notice cannot be given, the state or county shall notify the vendor within three working days after the date the state or county becomes aware that vendor payments will be reduced or terminated. A fee of no more than $5 may be charged to a vendor to offset the cost of notification. A vendor payment arrangement is not a guarantee that a vendor will be paid by the state or county for rent, goods, or services furnished to a recipient, and the state and county are not liable for any damages claimed by a vendor due to failure of the state or county to pay or to notify the vendor on behalf of a recipient, except under a specific written agreement between the state or county and the vendor or when the state or county has provided a voucher guaranteeing payment under certain conditions.

(3) The county shall be paid from state and federal funds available therefor the amount provided for in section 256.82.

(4) Federal funds available for administrative purposes shall be distributed between the state and the counties in the same proportion that expenditures were made except as provided for in section 256.017.

Sec. 41. Minnesota Statutes 1990, section 256.9655, is amended to read:

256.9655 [PAYMENTS TO MEDICAL PROVIDERS.]

Subdivision 1. [DUTIES OF COMMISSIONER.] The commissioner shall establish procedures to analyze and correct problems associated with medical care claims preparation and processing under the medical assistance, general assistance medical care, and children's health plan programs. At a minimum, the commissioner shall:

(1) designate a full-time position as a liaison between the department of human services and providers;

(2) analyze impediments to timely processing of claims, provide information and consultation to providers, and develop methods to resolve or reduce problems;

(3) provide to each acute care hospital a quarterly listing of claims

received and identify claims that have been suspended and the reason the claims were suspended;

(4) provide education and information on reasons for rejecting and suspending claims and identify methods that would avoid multiple submissions of claims; and

(5) for each acute care hospital, identify and prioritize claims that are in jeopardy of exceeding time factors that eliminate payment.

Subd. 2. [ELECTRONIC CLAIM SUBMISSION.] Medical providers designated by the commissioner of human services are permitted to purchase authorized materials through commodity contracts administered by the commissioner of administration for the purpose of submitting electronic claims to the medical programs designated in subdivision 1. Providers so designated must be actively enrolled and participating in the medical programs and must sign a hardware purchase and electronic biller agreement with the commissioner of human services prior to purchase from the contract.

Sec. 42. Minnesota Statutes 1991 Supplement, section 256.9685, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner shall establish procedures for determining medical assistance and general assistance medical care payment rates under a prospective payment system for inpatient hospital services in hospitals that qualify as vendors of medical assistance. The commissioner shall establish, by rule, procedures for implementing this section and sections 256.9686, 256.969, and 256.9695. The medical assistance payment rates must be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of recipients in efficiently and economically operated hospitals. Services must meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b), to be eligible for payment except the commissioner may establish exemptions to specific requirements based on diagnosis, procedure, or service after notice in the State Register and a 30-day comment period. The commissioner may establish an administrative reconsideration process for appeals of inpatient hospital services determined to be medically unnecessary. The reconsideration process shall take place prior to the contested case procedures of chapter 14 and shall be conducted by physicians that are independent of the case under reconsideration. A majority decision by the physicians is necessary to make a determination that the services were not medically necessary. Notwithstanding section 256B.72, the commissioner may recover inpatient hospital payments for services that have been determined to be medically unnecessary under the reconsideration process.

Sec. 43. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 1, is amended to read:

Subdivision 1. [HOSPITAL COST INDEX.] The hospital cost index shall be obtained from an independent source and shall represent a weighted average of historical, as limited to statutory maximums, and projected cost change estimates determined for expense categories to include wages and salaries, employee benefits, medical and professional fees, raw food, utilities, insurance including malpractice insurance, and other applicable expenses as determined by the commissioner. The index shall reflect Minnesota cost category weights. Individual indices shall be specific to Minnesota if the commissioner determines that sufficient accuracy of the hospital cost index is achieved. The hospital cost index ~~shall~~ may be used to adjust the base year operating payment rate through the rate year on an annually compounded basis. Notwithstanding section 256.9695, subdivision 3, paragraph (c), the hospital cost index shall not be effective under the general assistance medical care program for admissions occurring during the biennium ending June 30, 1993.

For fiscal years beginning on or after July 1, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for hospital reimbursement rates under medical assistance and general assistance medical care. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in hospital reimbursement rates under medical assistance and general assistance medical care, based upon the hospital cost index.

Sec. 44. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 2, is amended to read:

Subd. 2. [DIAGNOSTIC CATEGORIES.] The commissioner shall use to the extent possible existing diagnostic classification systems, including the system used by the Medicare program to determine the relative values of inpatient services and case mix indices. The commissioner may combine diagnostic classifications into diagnostic categories and may establish separate categories and numbers of categories based on program eligibility or hospital peer group. Relative values shall be recalculated when the base year is changed. Relative value determinations shall include paid claims for admissions during each hospital's base year. The commissioner may extend the time period forward to obtain sufficiently valid information to establish relative values. Relative value determinations shall not include property cost data, Medicare crossover data, and data on admissions that are paid a per day transfer rate under subdivision ~~13~~ 14. The computation of the base year cost per admission must include identified outlier cases and their weighted costs up to the point that they become outlier cases, but must exclude costs recognized in outlier payments beyond that point. The commissioner may

recategorize the diagnostic classifications and recalculate relative values and case mix indices to reflect actual hospital practices, the specific character of specialty hospitals, or to reduce variances within the diagnostic categories after notice in the State Register and a 30-day comment period.

Sec. 45. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 21, is amended to read:

Subd. 21. [MENTAL HEALTH OR CHEMICAL DEPENDENCY ADMISSIONS; ~~RATES.~~] ~~Admissions occurring on or after July 1, 1990, that are classified to a diagnostic category of mental health or chemical dependency shall have rates established according to the methods of subdivision 14, except the per day rate shall be multiplied by a factor of 2, provided that the total of the per day rates shall not exceed the per admission rate. This methodology shall also apply when a hold or commitment is ordered by the court for the days that inpatient hospital services are medically necessary.~~ ~~Stays~~ Mental health and chemical dependency inpatient hospital services for a hold or commitment ordered by the court which are medically necessary ~~for inpatient hospital services~~ and covered by medical assistance shall not be billable to any other governmental entity. Medical necessity shall be determined under criteria established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b).

Sec. 46. Minnesota Statutes 1991 Supplement, section 256.9751, subdivision 1, is amended to read:

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

(a) [CONGREGATE HOUSING.] "Congregate housing" means federally or locally subsidized housing, designed for the elderly, consisting of private apartments and common areas which can be used for activities and for serving meals.

(b) [CONGREGATE HOUSING SERVICES PROJECTS.] "Congregate housing services project" means a project in which services are or could be made available to older persons who live in subsidized housing and which helps delay or prevent nursing home placement. To be considered a congregate housing services project, a project must have: (1) an on-site coordinator, and (2) a plan for ~~providing a minimum~~ assuring the availability of one meal per day, seven days a week, for each elderly participant~~, seven days a week~~ in need.

(c) [ON-SITE COORDINATOR.] "On-site coordinator" means a person who works on-site in a building or buildings and who serves as a contact for older persons who need services, support, and assistance in order to delay or prevent nursing home placement.

(d) [CONGREGATE HOUSING SERVICES PROJECT PARTICIPANTS OR PROJECT PARTICIPANTS.] "Congregate housing services project participants" or "project participants" means elderly persons 60 years old or older, who are currently residents of, or who are applying for residence in housing sites, and who need support services to remain independent.

Sec. 47. Minnesota Statutes 1991 Supplement, section 256.9751, subdivision 6, is amended to read:

Subd. 6. [CRITERIA FOR SELECTION.] The Minnesota board on aging shall select projects under this section according to the following criteria:

(1) the extent to which the proposed project assists older persons to age-in-place to prevent or delay nursing home placement;

(2) the extent to which the proposed project identifies the needs of project participants;

(3) the extent to which the proposed project identifies how the on-site coordinator will help meet the needs of project participants;

(4) the extent to which the proposed project plan assures the availability of one meal a day, seven days a week, for ~~participants~~ each elderly participant in need;

(5) the extent to which the proposed project demonstrates involvement of participants and family members in the project; and

(6) the extent to which the proposed project demonstrates involvement of housing providers and public and private service agencies, including area agencies on aging.

Sec. 48. Minnesota Statutes 1990, section 256B.02, is amended by adding a subdivision to read:

Subd. 14. [GROUP HEALTH PLAN.] "Group health plan" means any plan of, or contributed to by, an employer, including a self-insured plan, to provide health care directly or otherwise to the employer's employees, former employees, or the families of the employees or former employees, and includes continuation coverage pursuant to title XXII of the Public Health Service Act, section 4980B of the Internal Revenue Code of 1986, or title VI of the Employee Retirement Income Security Act of 1974.

Sec. 49. Minnesota Statutes 1990, section 256B.02, is amended by adding a subdivision to read:

Subd. 15. [COST-EFFECTIVE.] "Cost-effective" means that the amount paid by the state for premiums, coinsurance, deductibles, other cost sharing obligations under a health insurance plan, and other administrative costs is likely to be less than the amount paid for an equivalent set of services paid by medical assistance.

Sec. 50. Minnesota Statutes 1990, section 256B.035, is amended to read:

256B.035 [MANAGED CARE.]

The commissioner of human services may contract with public or private entities ~~for health care services for~~ or operate a preferred provider program to deliver health care services to medical assistance ~~and~~, general assistance medical care, and children's health plan recipients ~~identified by the commissioner as inappropriately using health care services~~. The commissioner may enter into risk-based and non-risk-based contracts. Contracts may be for the full range of health services, or a portion thereof, for medical assistance and general assistance medical care populations to determine the effectiveness of various provider reimbursement and care delivery mechanisms. The commissioner may seek necessary federal waivers and implement projects when approval of the waivers is obtained from the Health Care Financing Administration of the United States Department of Health and Human Services.

Sec. 51. Minnesota Statutes 1990, section 256B.056, subdivision 1a, is amended to read:

Subd. 1a. [INCOME AND ASSETS GENERALLY.] Unless specifically required by state law or rule or federal law or regulation, the methodologies used in counting income and assets to determine eligibility for medical assistance shall be as follows: (a) for persons whose eligibility category is based on blindness, disability, or age of 65 or more years, the methodologies for the supplemental security income program shall be used; and (b) for families and children, which includes all other eligibility categories, the methodologies for the aid to families with dependent children program under section 256.73 shall be used. For these purposes, a "methodology" does not include an asset or income standard, ~~budgeting~~ or accounting method, or method of determining effective dates.

Sec. 52. Minnesota Statutes 1990, section 256B.056, subdivision 5, is amended to read:

Subd. 5. [EXCESS INCOME.] A person who has excess income is eligible for medical assistance if the person has expenses for medical care that are more than the amount of the person's excess income, computed by deducting incurred medical expenses from the excess income to reduce the excess to the income standard specified in subdivision 4. The person shall elect to have the medical expenses

deducted at the beginning of a one-month budget period or at the beginning of a six-month budget period. Until June 30, 1993, or the date the Medicaid Management Information System (MMIS) upgrade is implemented, whichever occurs last, the commissioner shall ~~seek applicable waivers from the Secretary of Health and Human Services to~~ allow persons eligible for assistance on a one-month spend-down basis under this subdivision to elect to pay the monthly spend-down amount in advance of the month of eligibility to the local agency in order to maintain eligibility on a continuous basis ~~for medical assistance and to simplify payment to health care providers~~. If the ~~local agency has not received payment of the spend-down amount by the 15th day of the month~~ recipient does not pay the spend-down amount on or before the 20th of the month, the recipient is ineligible for this option for the following month. ~~The commissioner may seek a waiver of the requirement of the Social Security Act that all requirements be uniform statewide, to phase in this option over a six-month period.~~ The local agency must deposit spend-down payments into its treasury and issue a monthly payment to the state agency with the necessary individual account information. The local agency shall code the client eligibility system to indicate that the spend-down obligation has been satisfied for the month paid. The state agency shall convey this information to providers through eligibility cards which list no remaining spend-down obligation. After the implementation of the MMIS upgrade, the recipient may elect to pay the state agency the monthly spend-down amount. The recipient must make the payment on or before the 20th of the month in order to be eligible for this option in the following month.

Sec. 53. Minnesota Statutes 1990, section 256B.056, is amended by adding a subdivision to read:

Subd. 8. [COOPERATION.] To be eligible for medical assistance, applicants and recipients must cooperate with the state and local agency to identify potentially liable third-party payers and assist the state in obtaining third party payments, unless good cause for noncooperation is determined according to Code of Federal Regulations, title 42, part 433.147. "Cooperation" includes identifying any third party who may be liable for care and services provided under this chapter to the applicant, recipient, or any other family member for whom application is made and providing relevant information to assist the state in pursuing a potentially liable third party. Cooperation also includes providing information about a group health plan for which the person may be eligible and if the plan is determined cost-effective by the state agency and premiums are paid by the local agency or there is no cost to the recipient, they must enroll or remain enrolled with the group. Cost-effective insurance premiums approved for payment by the state agency and paid by the local agency are eligible for reimbursement according to section 256B.19.

Sec. 54. Minnesota Statutes 1990, section 256B.057, is amended by adding a subdivision to read:

Subd. 3a. [ELIGIBILITY FOR PAYMENT OF MEDICARE PART B PREMIUMS.] A person who would otherwise be eligible as a qualified Medicare beneficiary under subdivision 3, except the person's income is in excess of the limit, is eligible for medical assistance reimbursement of Medicare part B premiums if the person's income is less than 110 percent of the official federal poverty guidelines for the applicable family size. The income limit shall increase to 120 percent of the official federal poverty guidelines for the applicable family size on January 1, 1995.

Sec. 55. Minnesota Statutes 1990, section 256B.0625, subdivision 9, is amended to read:

Subd. 9. [DENTAL SERVICES.] (a) Medical assistance covers dental services. Dental services include, with prior authorization, fixed cast metal restorations that are cost-effective for persons who cannot use removable dentures because of their medical condition.

(b) The commissioner shall contract with a single prepaid dental plan company for all dental care services rendered after July 1, 1992, under medical assistance, general assistance medical care, and the children's health plan.

(c) Nothing in this section affects the commissioner's authority to contract under sections 256B.031, 256B.035, and 256D.03, subdivision 4, paragraph (c).

Sec. 56. Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, or by a physician enrolled in the medical assistance program as a dispensing physician. The commissioner, after receiving recommendations from the Minnesota medical association and the Minnesota pharmacists association, shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two-year terms and shall

serve without compensation. The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary committee shall review and recommend drugs which require prior authorization. The formulary committee may recommend drugs for prior authorization directly to the commissioner, as long as opportunity for public input is provided. Prior authorization may be requested by the commissioner based on medical and clinical criteria before certain drugs are eligible for payment. Before a drug may be considered for prior authorization at the request of the commissioner:

(1) the drug formulary committee must develop criteria to be used for identifying drugs; the development of these criteria is not subject to the requirements of chapter 14, but the formulary committee shall provide opportunity for public input in developing criteria;

(2) the drug formulary committee must hold a public forum and receive public comment for an additional 15 days; and

(3) the commissioner must provide evidence to the formulary committee that placing the drug on prior authorization will not reduce the quality of patient care and that the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, and vitamins for children under the age of seven and pregnant or nursing women; or any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for pro-

hibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may be estimated by the commissioner. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of $.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written – brand necessary" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

(c) Until June 30, 1993, or the date the Medicaid Management Information System (MMIS) upgrade is implemented, whichever occurs last, a pharmacy provider may require individuals who seek to become eligible for medical assistance under a one-month spend-down, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spend-down amount at the time the services are provided. A pharmacy provider choosing this option shall file a medical assistance claim for the pharmacy services provided. If medical assistance reimbursement is received for this

claim, the pharmacy provider shall return to the individual the total amount paid by the individual for the pharmacy services reimbursed by the medical assistance program. If the claim is not eligible for medical assistance reimbursement because of the provider's failure to comply with the provisions of the medical assistance program, the pharmacy provider shall refund to the individual the total amount paid by the individual. Pharmacy providers may choose this option only if they apply similar credit restrictions to private pay or privately insured individuals. A pharmacy provider choosing this option must inform individuals who seek to become eligible for medical assistance under a one-month spend-down of (1) their right to appeal the denial of services on the grounds that they have satisfied the spend-down requirement, and (2) their potential eligibility for the health right program or the children's health plan.

Sec. 57. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 13a. [DRUG UTILIZATION REVIEW BOARD.] A 12-member drug utilization review board is established. The board is comprised of six licensed physicians actively engaged in the practice of medicine in Minnesota; five licensed pharmacists actively engaged in the practice of pharmacy in Minnesota; and one consumer representative. The board shall be staffed by an employee of the department who shall serve as an ex officio nonvoting member of the board. The members of the board shall be appointed by the commissioner and shall serve three-year terms. The physician members shall be selected from a list submitted by the Minnesota medical association. The pharmacist members shall be selected from a list submitted by the Minnesota pharmacist association. The commissioner shall appoint the initial members of the board for terms expiring as follows: four members for terms expiring June 30, 1995; four members for terms expiring June 30, 1994; and four members for terms expiring June 30, 1993. Members may be reappointed once. The board shall annually elect a chair from among the members.

The commissioner shall, with the advice of the board:

(1) implement a medical assistance retrospective and prospective drug utilization review program as required by United States Code, title 42, section 1396r-8(g)(3);

(2) develop and implement the predetermined criteria and practice parameters for appropriate prescribing to be used in retrospective and prospective drug utilization review;

(3) develop, select, implement, and assess interventions for physicians, pharmacists, and patients that are educational and not punitive in nature;

(4) establish a grievance and appeals process for physicians and pharmacists under this section;

(5) publish and disseminate educational information to physicians and pharmacists regarding the board and the review program;

(6) adopt and implement procedures designed to ensure the confidentiality of any information collected, stored, retrieved, assessed, or analyzed by the board, staff to the board, or contractors to the review program that identifies individual physicians, pharmacists, or recipients;

(7) establish and implement an ongoing process to (i) receive public comment regarding drug utilization review criteria and standards, and (ii) consider the comments along with other scientific and clinical information in order to revise criteria and standards on a timely basis; and

(8) adopt any rules necessary to carry out this section.

The board may establish advisory committees. The commissioner may contract with appropriate organizations to assist the board in carrying out the board's duties. The commissioner may enter into contracts for services to develop and implement a retrospective and prospective review program.

The board shall report to the commissioner annually on December 1. The commissioner shall make the report available to the public upon request. The report must include information on the activities of the board and the program; the effectiveness of implemented interventions; administrative costs; and any fiscal impact resulting from the program.

Sec. 58. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 19b. [NO AUTOMATIC ADJUSTMENT.] For fiscal years beginning on or after July 1, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for personal 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 personal care services.

Sec. 59. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 19c. [PERSONAL CARE.] Medical assistance covers personal care services provided by an individual who is qualified to provide the services according to subdivision 19a and section

256B.0627, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse.

Sec. 60. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 20a. [CASE MANAGEMENT FOR PERSONS WITH MENTAL RETARDATION OR A RELATED CONDITION.] To the extent defined in the state Medicaid plan, case management service activities for persons with mental retardation or a related condition as defined in section 256B.092, and rules promulgated thereunder, are covered services under medical assistance.

Sec. 61. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 31. [MEDICAL SUPPLIES AND EQUIPMENT.] Medical assistance covers medical supplies and equipment. Separate payment outside of the facility's payment rate shall be made for wheelchairs and wheelchair accessories for recipients who are residents of intermediate care facilities for the mentally retarded. Reimbursement for wheelchairs and wheelchair accessories for ICF/MR recipients shall be subject to the same conditions and limitations as coverage for recipients who do not reside in institutions. A wheelchair purchased outside of the facility's payment rate is the property of the recipient.

Sec. 62. Minnesota Statutes 1991 Supplement, section 256B.0627, subdivision 5, is amended to read:

Subd. 5. [LIMITATION ON PAYMENTS.] Medical assistance payments for home care services shall be limited according to this subdivision.

(a) [EXEMPTION FROM PAYMENT LIMITATIONS.] The level, or the number of hours or visits of a specific service, of home care services to a recipient that began before and is continued without increase on or after December 1987, shall be exempt from the payment limitations of this section, as long as the services are medically necessary.

(b) [LIMITS ON SERVICES WITHOUT PRIOR AUTHORIZATION.] A recipient may receive the following amounts of home care services during a calendar year:

(1) a total of 40 home health aide visits~~,~~ or skilled nurse visits~~, health promotions, or health assessments~~ under section 256B.0625, subdivision 6a; and

(2) a total of ten hours of nursing supervision under section 256B.0625, subdivision 7 or 19a.

(c) [PRIOR AUTHORIZATION; EXCEPTIONS.] All home care services above the limits in paragraph (b) must receive the commissioner's prior authorization, except when:

(1) the home care services were required to treat an emergency medical condition that if not immediately treated could cause a recipient serious physical or mental disability, continuation of severe pain, or death. The provider must request retroactive authorization no later than five working days after giving the initial service. The provider must be able to substantiate the emergency by documentation such as reports, notes, and admission or discharge histories;

(2) the home care services were provided on or after the date on which the recipient's eligibility began, but before the date on which the recipient was notified that the case was opened. Authorization will be considered if the request is submitted by the provider within 20 working days of the date the recipient was notified that the case was opened; or

(3) a third party payor for home care services has denied or adjusted a payment. Authorization requests must be submitted by the provider within 20 working days of the notice of denial or adjustment. A copy of the notice must be included with the request.

(d) [RETROACTIVE AUTHORIZATION.] A request for retroactive authorization under paragraph (c) will be evaluated according to the same criteria applied to prior authorization requests. Implementation of this provision shall begin no later than October 1, 1991, except that recipients who are currently receiving medically necessary services above the limits established under this subdivision may have a reasonable amount of time to arrange for waivered services under section 256B.49 or to establish an alternative living arrangement. All current recipients shall be phased down to the limits established under paragraph (b) on or before April 1, 1992.

(e) [ASSESSMENT AND CARE PLAN.] The home care provider shall conduct an assessment and complete a care plan using forms specified by the commissioner. For the recipient to receive, or continue to receive, home care services, the provider must submit evidence necessary for the commissioner to determine the medical necessity of the home care services. The provider shall submit to the commissioner the assessment, the care plan, and other information necessary to determine medical necessity such as diagnostic or testing information, social or medical histories, and hospital or facility discharge summaries.

(f) [PRIOR AUTHORIZATION.] The commissioner, or the com-

missioner's designee, shall review the assessment, the care plan, and any additional information that is submitted. The commissioner shall, within 30 days after receiving a request for prior authorization, authorize home care services as follows:

(1) [HOME HEALTH SERVICES.] All home health services provided by a nurse or a home health aide that exceed the limits established in paragraph (b) must be prior authorized by the commissioner or the commissioner's designee. Prior authorization must be based on medical necessity and cost-effectiveness when compared with other care options.

(2) [PERSONAL CARE SERVICES.] (i) All personal care services must be prior authorized by the commissioner or the commissioner's designee except for the limits on supervision established in paragraph (b). The amount of personal care services authorized must be based on the recipient's case mix classification according to section 256B.0911, except that a child may not be found to be dependent in an activity of daily living if because of the child's age an adult would either perform the activity for the child or assist the child with the activity and the amount of assistance needed is similar to the assistance appropriate for a typical child of the same age. Based on medical necessity, the commissioner may authorize:

(A) up to two times the average number of direct care hours provided in nursing facilities for the recipient's case mix level;

(B) up to three times the average number of direct care hours provided in nursing facilities for recipients who have complex medical needs;

(C) up to 60 percent of the average reimbursement rate, as of July 1, 1991, for care provided in a regional treatment center for recipients who have complex behaviors;

(D) up to the amount the commissioner would pay, as of July 1, 1991, for care provided in a regional treatment center for recipients referred to the commissioner by a regional treatment center preadmission evaluation team. For purposes of this clause, home care services means all services provided in the home or community that would be included in the payment to a regional treatment center; or

(E) up to the amount medical assistance would reimburse for facility care for recipients referred to the commissioner by a preadmission screening team established under section 256B.091 or 256B.092.

(ii) The number of direct care hours shall be determined according to annual cost reports which are submitted to the department by nursing facilities each year. The average number of direct care

hours, as established by May 1, shall be calculated and incorporated into the home care limits on July 1 each year. These limits shall be calculated to the nearest quarter hour.

(iii) The case mix level shall be determined by the commissioner or the commissioner's designee based on information submitted to the commissioner by the personal care provider on forms specified by the commissioner. The forms shall be a combination of current assessment tools developed under sections 256B.0911 and 256B.501 with an addition for seizure activity that will assess the frequency and severity of seizure activity and with adjustments, additions, and clarifications that are necessary to reflect the needs and conditions of children and nonelderly adults who need home care. The commissioner shall establish these forms and protocols under this section and shall use the advisory group established in section 256B.04, subdivision 16, for consultation in establishing the forms and protocols by October 1, 1991.

(iv) A recipient shall qualify as having complex medical needs if they require:

(A) daily tube feedings;

(B) daily parenteral therapy;

(C) wound or decubiti care;

(D) postural drainage, percussion, nebulizer treatments, suctioning, tracheotomy care, oxygen, mechanical ventilation;

(E) catheterization;

(F) ostomy care; or

(G) other comparable medical conditions or treatments the commissioner determines would otherwise require institutional care.

(v) A recipient shall qualify as having complex behavior if the recipient exhibits on a daily basis the following:

(A) self-injurious behavior;

(B) unusual or repetitive habits;

(C) withdrawal behavior;

(D) hurtful behavior to others;

(E) socially ~~or~~ offensive behavior;

(F) destruction of property; or

(G) a need for constant one-to-one supervision for self-preservation.

(vi) The complex behaviors in clauses (A) to (G) have the meanings developed under section 256B.501.

(3) [PRIVATE DUTY NURSING SERVICES.] All private duty nursing services shall be prior authorized by the commissioner or the commissioner's designee. Prior authorization for private duty nursing services shall be based on medical necessity and cost-effectiveness when compared with alternative care options. The commissioner may authorize medically necessary private duty nursing services in quarter-hour units when:

(i) the recipient requires more individual and continuous care than can be provided during a nurse visit; or

(ii) the cares are outside of the scope of services that can be provided by a home health aide or personal care assistant.

The commissioner may authorize up to 16 hours per day of private duty nursing services or up to 24 hours per day of private duty nursing services until such time as the commissioner is able to make a determination of eligibility for recipients who are applying for home care services under the community alternative care program developed under section 256B.49, or until it is determined that a health benefit plan is required to pay for medically necessary nursing services. Recipients who are eligible for the community alternative care program may not receive more hours of nursing under this section than would otherwise be authorized under section 256B.49.

(4) [VENTILATOR-DEPENDENT RECIPIENTS.] If the recipient is ventilator-dependent, the monthly medical assistance authorization for home care services shall not exceed what the commissioner would pay for care at the highest cost hospital designated as a long-term hospital under the Medicare program. For purposes of this clause, home care services means all services provided in the home that would be included in the payment for care at the long-term hospital. "Ventilator-dependent" means an individual who receives mechanical ventilation for life support at least six hours per day and is expected to be or has been dependent for at least 30 consecutive days.

(g) [PRIOR AUTHORIZATION; TIME LIMITS.] The commissioner or the commissioner's designee shall determine the time period for which a prior authorization shall remain valid. If the recipient continues to require home care services beyond the dura-

tion of the prior authorization, the home care provider must request a new prior authorization through the process described above. Under no circumstances shall a prior authorization be valid for more than 12 months.

(h) [APPROVAL OF HOME CARE SERVICES.] The commissioner or the commissioner's designee shall determine the medical necessity of home care services, the level of caregiver according to subdivision 2, and the institutional comparison according to this subdivision, and the amount, scope, and duration of home care services reimbursable by medical assistance, based on the assessment, the care plan, the recipient's age, the recipient's medical condition, and diagnosis or disability. The commissioner may publish additional criteria for determining medical necessity according to section 256B.04.

(i) [PRIOR AUTHORIZATION REQUESTS; TEMPORARY SERVICES.] The department has 30 days from receipt of the request to complete the prior authorization, during which time it may approve a temporary level of home care service. Authorization under this authority for a temporary level of home care services is limited to the time specified by the commissioner.

(j) [PRIOR AUTHORIZATION REQUIRED IN FOSTER CARE SETTING.] Home care services provided in an adult or child foster care setting must receive prior authorization by the department according to the limits established in paragraph (b).

The commissioner may not authorize:

(1) home care services that are the responsibility of the foster care provider under the terms of the foster care placement agreement and administrative rules;

(2) personal care services when the foster care license holder is also the personal care provider or personal care assistant unless the recipient can direct the recipient's own care, or the recipient is referred to the commissioner by a regional treatment center preadmission evaluation team;

(3) personal care services when the responsible party is an employee of, or under contract with, or has any direct or indirect financial relationship with the personal care provider or personal care assistant, unless the recipient is referred to the commissioner by a regional treatment center preadmission evaluation team;

(4) home care services when the number of foster care residents is greater than four; or

(5) home care services when combined with foster care payments,

less the base rate, that exceed the total amount that public funds would pay for the recipient's care in a medical institution.

Sec. 63. Minnesota Statutes 1990, section 256B.064, is amended by adding a subdivision to read:

Subd. 1d. [INVESTIGATIVE COSTS.] The commissioner may seek recovery of investigative costs from any vendor of medical care or services who willfully submits a claim for reimbursement for services the vendor knows, or reasonably should have known, is a false representation and which results in the payment of public funds for which the vendor is ineligible. Billing errors deemed to be unintentional, but which result in overcharges, shall not be considered for investigative cost recoupment.

Sec. 64. Minnesota Statutes 1991 Supplement, section 256B.064, subdivision 2, is amended to read:

Subd. 2. The commissioner shall determine monetary amounts to be recovered and the sanction to be imposed upon a vendor of medical care for conduct described by subdivision 1a. Except in the case of a conviction for conduct described in subdivision 1a, neither a monetary recovery nor a sanction will be sought by the commissioner without prior notice and an opportunity for a hearing, pursuant to chapter 14, on the commissioner's proposed action, provided that the commissioner may suspend or reduce payment to a vendor of medical care, except a nursing home or convalescent care facility, prior to the hearing if in the commissioner's opinion that action is necessary to protect the public welfare and the interests of the program.

Upon receipt of a notice that a monetary recovery or sanction is to be imposed, a vendor may request a contested case, as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal request must be received by the commissioner no later than 30 days after the date the notification of monetary recovery or sanction was mailed to the vendor. The appeal request must specify:

(1) each disputed item, the reason for the dispute, and an estimate of the dollar amount involved for each disputed item;

(2) the computation that the vendor believes is correct;

(3) the authority in statute or rule upon which the vendor relies for each disputed item;

(4) the name and address of the person or entity with whom contacts may be made regarding the appeal; and

(5) other information required by the commissioner.

Sec. 65. Minnesota Statutes 1991 Supplement, section 256B.0911, subdivision 3, is amended to read:

Subd. 3. [PERSONS RESPONSIBLE FOR CONDUCTING THE PREADMISSION SCREENING.] (a) A local screening team shall be established by the county agency and the county public health nursing service of the local board of health. Each local screening team shall be composed of a social worker and a public health nurse from their respective county agencies. If a county does not have a public health nurse available, it may request approval from the commissioner to assign a county registered nurse with at least one year experience in home care to participate on the team. Two or more counties may collaborate to establish a joint local screening team or teams.

(b) Both members of the team must conduct the screening. However, individuals who are being transferred from an acute care facility to a certified nursing facility and individuals who are admitted to a certified nursing facility on an emergency basis may be screened by only one member of the screening team in consultation with the other member.

(c) In assessing a person's needs, each screening team shall have a physician available for consultation and shall consider the assessment of the individual's attending physician, if any. The individual's physician shall be included on the screening team if the physician chooses to participate. Other personnel may be included on the team as deemed appropriate by the county agencies.

(d) If a person who has been screened must be reassessed to assign a case mix classification because admission to a nursing facility occurs later than the time allowed by rule following the initial screening and assessment, the reassessment may be completed by the public health nurse member of the screening team.

Sec. 66. Minnesota Statutes 1991 Supplement, section 256B.0911, is amended by adding a subdivision to read:

Subd. 7a. [CASE MIX ASSESSMENTS.] The nursing facility is authorized to conduct all case mix assessments for persons who have been admitted to the facility prior to a preadmission screening. The county shall conduct the case mix assessment for all persons screened within ten working days prior to admission. The county retains the responsibility of distributing appropriate case mix forms to the nursing facility.

Sec. 67. Minnesota Statutes 1991 Supplement, section 256B.0911, subdivision 8, is amended to read:

Subd. 8. [ADVISORY COMMITTEE.] The commissioner shall appoint an advisory committee to advise the commissioner on the preadmission screening program, the alternative care program under section 256B.0913, and the home- and community-based services waiver programs for the elderly and the disabled. The advisory committee shall review policies and procedures and provide advice and technical assistance to the commissioner regarding the effectiveness and the efficient administration of the programs. The advisory committee must consist of not more than ~~20~~ 22 people appointed by the commissioner and must be comprised of representatives from public agencies, public and private service providers, two representatives of nursing home associations, and consumers from all areas of the state. Members of the advisory committee must not be compensated for service.

Sec. 68. Minnesota Statutes 1991 Supplement, 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 eligible for medical assistance within 180 days of admission to a nursing facility;

(4) the screening team would recommend nursing facility admission or continued stay for the person if alternative care services were not available;

(5) the person needs services that are not available at that time in the county through other county, state, or federal funding sources; and

(6) the monthly cost of the alternative care services funded by the program for this person does not exceed 75 percent of the statewide average monthly medical assistance payment for nursing facility care at the individual's case mix classification to which the individual would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059.

(b) Individuals who meet the criteria in paragraph (a) and who

have been approved for alternative care funding are called 180-day eligible clients.

(c) The statewide average payment for nursing facility care is the statewide average monthly nursing facility rate in effect on July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing facility residents who are age 65 or older and who are medical assistance recipients in the month of March of the previous fiscal year. This monthly limit does not prohibit the 180-day eligible client from paying for additional services needed or desired.

(d) In determining the total costs of alternative care services for one month, the costs of all services funded by the alternative care program, including supplies and equipment, must be included.

(e) Alternative care funding under this subdivision is not available for a person who is a medical assistance recipient or who would be eligible for medical assistance without a spend-down if the person applied, unless authorized by the commissioner. The commissioner may authorize alternative care money to be used to meet a portion of a medical assistance income spend-down for persons residing in adult foster care who would otherwise be served under the alternative care program. The alternative care payment is limited to the difference between the recipient's negotiated foster care board and lodge rate and the medical assistance income standard for one elderly person plus the medical assistance personal needs allowance for a person residing in a long-term care facility. A person whose application for medical assistance is being processed may be served under the alternative care program for up to 60 days. If the individual is found to be eligible for medical assistance, the county must bill medical assistance retroactive to the date of eligibility for the 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. 69. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 5, is amended to read:

Subd. 5. [SERVICES COVERED UNDER ALTERNATIVE CARE.] (a) Alternative care funding may be used for payment of costs of:

(1) adult foster care;

(2) adult day care;

(3) home health aide;

(4) homemaker services;

(5) personal care;

(6) case management;

(7) respite care;

(8) assisted living; and

(9) care-related supplies and equipment.

(b) The county agency may use up to ten percent of the annual allocation of alternative care funding for payment of costs of meals delivered to the home, transportation, skilled nursing, chore services, companion services, nutrition services, and training for direct informal caregivers. The commissioner shall determine the impact on alternative care costs of allowing these additional services to be provided and shall report the findings to the legislature by February 15, 1993, including any recommendations regarding provision of the additional services.

(c) The county agency must ensure that the funds are used only to supplement and not supplant services available through other public assistance or services programs.

(d) These services must be provided by a licensed provider, a home health agency certified for reimbursement under Titles XVIII and XIX of the Social Security Act, or by persons or agencies employed by or contracted with the county agency or the public health nursing agency of the local board of health.

(e) The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board. On July 1, 1992, the adult foster care daily rate shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed 75 percent of the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned, and it must allow for other alternative care services to be authorized by the case manager.

(f) Personal care services may be provided by a personal care provider organization. A county agency may contract with a relative of the client to provide personal care services, but must ensure nursing supervision. Covered personal care services defined in section 256B.0627, subdivision 4, must meet applicable standards in Minnesota Rules, part 9505.0335.

(g) 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.

(h) For the purposes of this section, "assisted living" refers to supportive services provided by a single vendor to two or more alternative care ~~grant~~ clients who reside in the same apartment building of ten or more units. These services may include care coordination, the costs of preparing one or more nutritionally balanced meals per day, general oversight, and other supportive services which the vendor is licensed to provide according to sections 144A.43 to 144A.49, and which would otherwise be available to individual alternative care ~~grant~~ clients. Reimbursement from the lead agency shall be made to the vendor as a monthly capitated rate negotiated with the county agency. The capitated rate shall not exceed the state share of the average monthly medical assistance nursing facility payment rate of the case mix resident class to which the 180-day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The capitated rate may not cover rent and direct food costs. 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.

(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. 70. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 8, is amended to read:

Subd. 8. [REQUIREMENTS FOR INDIVIDUAL CARE PLAN.] 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 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.

Sec. 71. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 11, is amended to read:

Subd. 11. [TARGETED FUNDING.] (a) The purpose of targeted funding is to make additional money available to counties with the greatest need. Targeted funds are not intended to be distributed equitably among all counties, but rather, allocated to those with long-term care strategies that meet state goals.

(b) The funds available for targeted funding shall be the total appropriation for each fiscal year minus county allocations determined under subdivision 10 as adjusted for any inflation increases provided in appropriations for the biennium.

(c) The commissioner shall allocate targeted funds to counties that demonstrate to the satisfaction of the commissioner that they have developed feasible plans to increase alternative care ~~grant~~ spending. In making targeted funding allocations, the commissioner shall use the following priorities:

(1) counties that received a lower allocation in fiscal year 1991

than in fiscal year 1990. Counties remain in this priority until they have been restored to their fiscal year 1990 level plus inflation;

(2) counties that sustain a base allocation reduction for failure to spend 95 percent of the allocation if they demonstrate that the base reduction should be restored;

(3) counties that propose projects to divert community residents from nursing home placement or convert nursing home residents to community living; and

(4) counties that can otherwise justify program growth by demonstrating the existence of waiting lists, demographically justified needs, or other unmet needs.

(d) Counties that would receive targeted funds according to paragraph (c) must demonstrate to the commissioner's satisfaction that the funds would be appropriately spent by showing how the funds would be used to further the state's alternative care goals as described in subdivision 1, and that the county has the administrative and service delivery capability to use them.

(e) The commissioner shall request applications by June 1 each year, for county agencies to apply for targeted funds. The counties selected for targeted funds shall be notified of the amount of their additional funding by August 1 of each year. Targeted funds allocated to a county agency in one year shall be treated as part of the county's base allocation for that year in determining allocations for subsequent years. No reallocations between counties shall be made.

(f) The allocation for each year after fiscal year 1992 shall be determined using the previous fiscal year's allocation, including any targeted funds, as the base and then applying the criteria under subdivision 10, paragraphs (c), (d), and (f), to the current year's expenditures.

Sec. 72. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 12, is amended to read:

Subd. 12. [CLIENT PREMIUMS.] (a) A premium is required for all 180-day eligible clients to help pay for the cost of participating in the program. The amount of the premium for the alternative care client shall be determined as follows:

(1) when the alternative care client's gross income is greater than the medical assistance income standard but less than 150 percent of the federal poverty guideline, and total assets are less than $6,000, the fee is zero;

(2) when the alternative care client's gross income is greater than

150 percent of the federal poverty guideline and total assets are less than $6,000, the fee is 25 percent of the cost of alternative care services or the difference between 150 percent of the federal poverty guideline and the client's gross income, 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.

All alternative care services except case management shall be included in the estimated costs for the purpose of determining 25 percent of the costs.

The monthly premium shall be calculated and be payable in the month in which the alternative care services begin and shall continue unaltered for six months until the semiannual reassessment unless the actual cost of services falls below the fee.

(b) The fee shall be waived by the commissioner when:

(1) a person who is residing in a nursing facility is receiving case management only;

(2) a person is applying for medical assistance;

(3) a married couple is requesting an asset assessment under the spousal impoverishment provisions;

(4) a person is a medical assistance recipient, but has been approved for alternative care-funded assisted living services;

(5) a person is found eligible for alternative care, but is not yet receiving alternative care services;

(6) a person is an adult foster care resident for whom alternative care funds are being used to meet a portion of the person's medical assistance spend-down, as authorized in subdivision 4; and

(7) a person's fee under paragraph (a) is less than $25.

(c) The county agency must collect the premium from the client and forward the amounts collected to the commissioner in the manner and at the times prescribed by the commissioner. Money collected must be deposited in the general fund and is appropriated to the commissioner for the alternative care program. The client must supply the county with the client's social security number at the time of application. If a client fails or refuses to pay the premium

due, the county shall supply the commissioner with the client's social security number and other information the commissioner requires to collect the premium from the client. The commissioner shall collect unpaid premiums using the revenue recapture act in chapter 270A and other methods available to the commissioner. The commissioner may require counties to inform clients of the collection procedures that may be used by the state if a premium is not paid.

~~(c) The commissioner shall establish a premium schedule ranging from $25 to $75 per month based on the client's income and assets. The schedule is not subject to chapter 14, but the commissioner shall publish the schedule and any later changes in the State Register and allow a period of 20 working days from the publication date for interested persons to comment before adopting the schedule in final form.~~ (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. ~~Emergency or permanent rules governing client premiums supersede any schedule adopted under the exemption from chapter 14 in this section.~~

Sec. 73. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 14, is amended to read:

Subd. 14. [REIMBURSEMENT AND RATE ADJUSTMENTS.] (a) Reimbursement for expenditures for the alternative care services shall be through the invoice processing procedures of the department's Medicaid management information system (MMIS), only with the approval of the client's case manager. To receive reimbursement, the county or vendor must submit invoices within 120 days following the month of service. The county agency and its vendors under contract shall not be reimbursed for services which exceed the county allocation.

(b) If a county collects less than 50 percent of the client premiums due under subdivision 12, the commissioner may withhold up to three percent of the county's final alternative care program allocation determined under subdivisions 10 and 11.

(c) Beginning July 1, 1991, the state will reimburse counties, up to the limits of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who would be eligible for medical assistance within 180 days of admission to a nursing home.

(d) ~~Annually on July 1, the commissioner must adjust the rates allowed for alternative care services by~~ 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.

Sec. 74. Minnesota Statutes 1991 Supplement, 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 waivered services to an individual waiver client shall be the statewide average payment rate of the case mix resident class to which the waiver client would be assigned under medical assistance case mix reimbursement system. The statewide average payment rate is calculated by determining the statewide average monthly nursing home rate effective July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing home residents who are age 65 or older, and who are medical assistance recipients in the month of March of the previous state fiscal year. The following costs must be included in determining the total monthly costs for the waiver client:

(1) cost of all waivered services, including extended medical supplies and equipment; and

(2) cost of skilled nursing, home health aide, and personal care services reimbursable by medical assistance.

(c) Medical assistance funding for skilled nursing services, home health aide, and personal care services for waiver recipients must be approved by the case manager and included in the individual care plan.

(d) Expenditures for extended medical supplies and equipment that cost over $150 per month for both the elderly waiver and the disabled waiver must have the commissioner's prior approval.

(e) ~~Annually on July 1, the commissioner must adjust the rates allowed for services by~~ 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 waivered 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 waivered 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.

On July 1, 1992, the adult foster care daily rate for the elderly and disabled waivers shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned, and it must allow for other waiver and medical assistance home care services to be authorized by the case manager.

(f) 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.

(g) 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. 75. Minnesota Statutes 1991 Supplement, section 256B.0915, is amended by adding a subdivision to read:

Subd. 4. [TERMINATION NOTICE.] The case manager must give the individual a ten-day written notice of any decrease in or termination of waivered services.

Sec. 76. Minnesota Statutes 1991 Supplement, section 256B.0915, is amended by adding a subdivision to read:

Subd. 5. [REASSESSMENTS FOR WAIVER CLIENTS.] A reas-

sessment of a client served under the elderly or disabled waiver must be conducted at least every six 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. 77. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 2, is amended to read:

Subd. 2. [DESIGN OF SAIL PROJECTS; LOCAL LONG-TERM CARE COORDINATING TEAM.] (a) The commissioner of human services shall establish SAIL projects in four to six counties or groups of counties to demonstrate the feasibility and cost-effectiveness of a local long-term care strategy that is consistent with the state's long-term care goals identified in subdivision 1. The commissioner shall publish a notice in the State Register announcing the availability of project funding and giving instructions for making an application. The instructions for the application shall identify the amount of funding available for project components.

(b) To be selected for the project, a county board~~,~~ or boards ~~under a joint powers agreement,~~ must establish a long-term care coordinating team consisting of county social service agencies, public health nursing service agencies, local boards of health, and the area agencies on aging in a geographic area which is responsible for:

(1) developing a local long-term care strategy consistent with state goals and objectives;

(2) submitting an application to be selected as a project;

(3) coordinating planning for funds to provide services to elderly persons, including funds received under Title III of the Older Americans Act, Community Social Services Act, Title XX of the Social Security Act and the Local Public Health Act; and

(4) ensuring efficient services provision and nonduplication of funding.

(c) The board~~,~~ or boards ~~under a joint powers agreement,~~ shall designate a public agency to serve as the lead agency. The lead agency receives and manages the project funds from the state and is responsible for the implementation of the local strategy. If selected as a project, the local long-term care coordinating team must semiannually evaluate the progress of the local long-term care strategy in meeting state measures of performance and results as established in the contract.

(d) Each member of the local coordinating team must indicate its endorsement of the local strategy. The local long-term care coordi-

nating team may include in its membership other units of government which provide funding for services to the frail elderly. The team must cooperate with consumers and other public and private agencies, including nursing homes, in the geographic area in order to develop and offer a variety of cost-effective services to the elderly and their caregivers.

(e) The board, or boards ~~under a joint powers agreement,~~ shall apply to be selected as a project. If the project is selected, the commissioner of human services shall contract with the lead agency for the project and shall provide additional administrative funds for implementing the provisions of the contract, within the appropriation available for this purpose.

(f) Projects shall be selected according to the following conditions:

(1) No project may be selected unless it demonstrates that:

(i) the objectives of the local project will help to achieve the state's long-term care goals as defined in subdivision 1;

(ii) in the case of a project submitted jointly by several counties, all of the participating counties are contiguous;

(iii) there is a designated local lead agency that is empowered to make contracts with the state and local vendors on behalf of all participants;

(iv) the project proposal demonstrates that the local cooperating agencies have the ability to perform the project as described and that the implementation of the project has a reasonable chance of achieving its objectives;

(v) the project will serve an area that covers at least four counties or contains at least 2,500 persons who are 85 years of age or older, according to the projections of the state demographer or the census if the data is more recent; and

(vi) the local coordinating team documents efforts of cooperation with consumers and other agencies and organizations, both public and private, in planning for service delivery.

(2) If only two projects are selected, at least one of them must be from a metropolitan statistical area as determined by the United States Census Bureau; if three or four projects are selected, at least one but not more than two projects must be from a metropolitan statistical area; and if more than four projects are selected, at least two but not more than three projects must be from a metropolitan statistical area.

(3) Counties or groups of counties that submit a proposal for a project shall be assigned to types defined by institutional utilization rate and population growth rate in the following manner:

(i) Each county or group of counties shall be measured by the utilization rate of nursing homes and boarding care homes and by the projected growth rate of its population aged 85 and over between 1990 and 2000. For the purposes of this section, "utilization rate" means the proportion of the seniors aged 65 or older in the county or group of counties who reside in a licensed nursing home or boarding care home as determined by the most recent census of residents available from the department of health and the population estimates of the state demographer or the census, whichever is more recent. The "projected growth rate" is the rate of change in the county or group of counties of the population group aged 85 or older between 1990 and 2000 according to the projections of the state demographer.

(ii) The institutional utilization rate of a county or group of counties shall be converted to a category by assigning a "high utilization" category if the rate is above the median rate of all counties, and a "low utilization" category otherwise. The projected growth rate of a county or group of counties shall be converted to a category by assigning a score of "high growth" category if the rate is above the median rate of all counties, and a "low growth" category otherwise.

(iii) Types of areas shall be defined by the four combinations of the scores defined in item (ii): type 1 is low utilization – high growth, type 2 is high utilization – high growth, type 3 is high utilization – low growth, and type 4 is low utilization – low growth. Each county or group of counties making a proposal shall be assigned to one of these types.

(4) Projects shall be selected from each of the types in the order that the types are listed in paragraph (3), item (iii), with available funding allocated to projects until it is exhausted, with no more than 30 percent of available funding allocated to any one project. Available funding includes state administrative funds which have been appropriated for screening functions in subdivision 4, paragraph (b), clause (3), and for service developers and incentive grants in subdivision 5.

(5) If more than one county or group of counties within one of the types defined by paragraph (3) proposes a special project that meets all of the other conditions in paragraphs (1) and (2), the project that demonstrates the most cost-effective proposals in terms of the number of nursing home placements that can be expected to be diverted or converted to alternative care services per unit of cost shall be selected.

(6) If more than one county applies for a specific project under this subdivision, all participating county boards must indicate intent to work cooperatively through individual board resolutions or a joint powers agreement.

Sec. 78. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 3, is amended to read:

Subd. 3. [LOCAL LONG-TERM CARE STRATEGY.] The local long-term care strategy must list performance outcomes and indicators which meet the state's objectives. The local strategy must provide for:

(1) accessible information, assessment, and preadmission screening activities as described in subdivision 4;

(2) an application for expansion of alternative care targeted funds under section 256B.0913, for serving 180-day eligible clients, including those who are relocated from nursing homes; and

(3) the development of additional services such as adult family foster care homes; family adult day care; assisted living projects and congregate housing service projects in apartment buildings; expanded home care services for evenings and weekends; expanded volunteer services; and caregiver support and respite care projects; ~~and~~

~~(4) development and implementation of strategies for advocating, promoting, and developing long-term care insurance and encouraging insurance companies to offer long-term care insurance policies that are affordable and offer a wide range of benefits.~~

The county or groups of counties selected for the projects shall be required to comply with federal regulations, alternative care funding policies in section 256B.0913, and the federal waiver programs' policies in section 256B.0915. The requirements for preadmission screening as defined in section 256B.0911, subdivisions 1 to 6, are waived for those counties selected as part of a long-term care strategy project. For persons who are eligible for medical assistance or who are 180-day eligible clients and who are screened after nursing facility admission, the nursing facility must include a screener in the discharge planning process for those individuals who the screener has determined have discharge potential. The agency responsible for the screening function in subdivision 4 must ensure a smooth transition and follow-up for the individual's return to the community. Requirements for an access, screening, and assessment function replace the preadmission screening requirements and are defined in subdivision 4. Requirements for the service development and service provision are defined in subdivision 5.

Sec. 79. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 4, is amended to read:

Subd. 4. [ACCESSIBLE INFORMATION, SCREENING, AND ASSESSMENT FUNCTION.] (a) The projects selected by and under contract with the commissioner shall establish an accessible information, screening, and assessment function for persons who need assistance and information regarding long-term care. This accessible information, screening, and assessment activity shall include information and referral, early intervention, follow-up contacts, telephone triage as defined in paragraph (f), home visits, assessments, preadmission screening, and relocation case management for the frail elderly and their caregivers in the area served by the county or counties. The purpose is to ensure that information and help is provided to elderly persons and their families in a timely fashion, when they are making decisions about long-term care. These functions may be split among various agencies, but must be coordinated by the local long-term care coordinating team.

(b) Accessible information, screening, and assessment functions shall be reimbursed as follows:

(1) The screenings of all persons entering nursing homes shall be reimbursed by the nursing homes in the counties of the project, through the same policy that is in place in fiscal year 1992 as established in section 256B.0911. The amount a nursing home pays to the county agency is that amount identified and approved in the February 15, 1991, estimated number of screenings and associated expenditures. This amount remains the same for fiscal year 1993;

(2) The level I screenings and the level II assessments required by Public Law Numbers 100-203 and 101-508 (OBRA) for persons with mental illness, mental retardation, or related conditions, are reimbursed through administrative funds with 75 percent federal funds and 25 percent state funds, as allowed by federal regulations and established in the contract; and

(3) Additional state administrative funds shall be available for the access, screening, and assessment activities that are not reimbursed under clauses (1) and (2). This amount shall not exceed the amount authorized in the guidelines and in instructions for the application and must be within the amount appropriated for this activity.

(c) The amounts available under paragraph (b) are available to the county or counties involved in the project to cover staff salaries and expenses to provide the services in this subdivision. The lead agency shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to provide the services listed in this subdivision.

(d) Any information and referral functions funded by other

sources, such as Title III of the Older Americans Act and Title XX of the Social Security Act and the Community Social Services Act, shall be considered by the local long-term care coordinating team in establishing this function to avoid duplication and to ensure access to information for persons needing help and information regarding long-term care.

(e) The staffing for the screening and assessment function must include, but is not limited to, a county social worker and a county public health nurse. The social worker and public health nurse are responsible for all assessments that are required to be completed by a professional. However, only one of these professionals is required to be present for the assessment. If a county does not have a public health nurse available, it may request approval from the commissioner to assign a county registered nurse with at least one year of experience in home care to conduct the assessment.

(f) All persons entering a Medicaid certified nursing home or boarding care home must be screened through an assessment process, although the decision to conduct a face-to-face interview is left with the county social worker and the county public health nurse. All applicants to nursing homes must be screened and approved for admission by the county social worker or the county public health nurse named by the lead agency or the agencies which are under contract with the lead agency to manage the access, screening, and assessment functions. For applicants who have a diagnosis of mental illness, mental retardation, or a related condition, and are subject to the provisions of Public Law Numbers 100-203 and 101-508, their admission must be approved by the local mental health authority or the local developmental disabilities case manager.

The commissioner shall develop instructions and assessment forms for telephone triage and on-site screenings to ensure that federal regulations and waiver provisions are met.

For purposes of this section, the term "telephone triage" refers to a telephone or face-to-face consultation between health care and social service professionals during which the clients' circumstances are reviewed and the county agency professional sorts the individual into categories: (1) needs no screening, (2) needs an immediate screening, or (3) needs a screening after admission to a nursing home or after a return home. The county agency professional shall authorize admission to a nursing home according to the provisions in section 256B.0911, subdivision 7.

(g) The requirements for case mix assessments by a preadmission screening team may be waived and the nursing home shall complete the case mix assessments which are not conducted by the county public health nurse according to the procedures established under Minnesota Rules, part 9549.0059. The appropriate county or the

lead agency is responsible for distributing the quality assurance and review form for all new applicants to nursing homes.

(h) The lead agency or the agencies under contract with the lead agency which are responsible for the accessible information, screening, and assessment function must complete the forms and reports required by the commissioner as specified in the contract.

Sec. 80. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 5, is amended to read:

Subd. 5. [SERVICE DEVELOPMENT AND SERVICE DELIVERY.] (a) In addition to the access, screening, and assessment activity, each local strategy may include provisions for the following:

(1) expansion of alternative care to serve an increased caseload, over the fiscal year 1991 average caseload, of at least 100 persons each year who are assessed prior to nursing home admission and persons who are relocated from nursing homes, which results in a reduction of the medical assistance nursing home caseload;

(2) the addition of a full-time staff person who is responsible to develop the following services and recruit providers as established in the contract:

(i) additional adult family foster care homes;

(ii) family adult day care providers as defined in section 256B.0919, subdivision 2;

(iii) an assisted living program in an apartment;

(iv) a congregate housing service project in a subsidized housing project; and

(v) the expansion of evening and weekend coverage of home care services as deemed necessary by the local strategic plan;

(3) small incentive grants to new adult family care providers for renovations needed to meet licensure requirements;

(4) a plan to apply for a congregate housing service project as identified in section 256.9751, authorized by the Minnesota board on aging, to the extent that funds are available;

(5) a plan to divert new applicants to nursing homes and to relocate a targeted population from nursing homes, using the individual's own resources or the funding available for services;

(6) one or more caregiver support and respite care projects, as described in subdivision 6; and

(7) one or more living-at-home/block nurse projects, as described in subdivisions 7 to 10.

(b) The expansion of alternative care clients under paragraph (a) shall be accomplished with the funds provided under section 256B.0913, and includes the allocation of targeted funds. The funding for all participating counties must be coordinated by the local long-term care coordinating team and must be part of the local long-term care strategy. Targeted alternative care funds received through the SAIL project approval process may be transferred from one SAIL county to another within a designated SAIL project area during a fiscal year as authorized by the local long-term care coordinating team and approved by the commissioner. The base allocation used for a future year shall reflect the final transfer. Each county retains responsibility for reimbursement as defined in section 256B.0913, subdivision 12. All other requirements for the alternative care program must be met unless an exception is provided in this section. The commissioner may establish by contract a reimbursement mechanism for alternative care that does not require invoice processing through the medical assistance management information system (MMIS). The commissioner and local agencies must assure that the same client and reimbursement data is obtained as is available under MMIS.

(c) The administration of these components is the responsibility of the agencies selected by the local coordinating team and under contract with the local lead agency. However, administrative funds for paragraph (a), clauses (2) to (5), and grant funds for paragraph (a), clauses (6) and (7), shall be granted to the local lead agency. The funding available for each component is based on the plan submitted and the amount negotiated in the contract.

Sec. 81. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 6, is amended to read:

Subd. 6. [~~STATEWIDE CAREGIVER SUPPORT AND RESPITE CARE RESOURCE CENTER;~~ CAREGIVER SUPPORT AND RESPITE CARE PROJECTS.] (a) ~~The commissioner shall establish and maintain a statewide resource center for caregiver support and respite care. The resource center shall:~~

~~(1) provide information, technical assistance, and training statewide to county agencies and organizations on direct service models of caregiver support and respite care services;~~

~~(2) identify and address issues, concerns, and gaps in the statewide network for caregiver support and respite care;~~

~~(3) maintain a statewide caregiver support and respite care directory;~~

~~(4) educate caregivers on the availability and use of caregiver and respite care services;~~

~~(5) promote and expand caregiver training and support groups using existing networks when possible; and~~

~~(6) apply for and manage grants related to caregiver support and respite care.~~

~~(b)~~ The commissioner shall establish up to 36 projects to expand the respite care network in the state and to support caregivers in their responsibilities for care. The purpose of each project shall be to:

(1) establish a local coordinated network of volunteer and paid respite workers;

(2) coordinate assignment of respite workers to clients and care receivers and assure the health and safety of the client; and

(3) provide training for caregivers and ensure that support groups are available in the community.

~~(c)~~ (b) The caregiver support and respite care funds shall be available to the four to six local long-term care strategy projects designated in subdivisions 1 to 5.

~~(d)~~ (c) The commissioner shall publish a notice in the State Register to solicit proposals from public or private nonprofit agencies for the projects not included in the four to six local long-term care strategy projects defined in subdivision 2. A county agency may, alone or in combination with other county agencies, apply for caregiver support and respite care project funds. A public or nonprofit agency within a designated SAIL project area may apply for project funds if the agency has a letter of agreement with the county or counties in which services will be developed, stating the intention of the county or counties to coordinate their activities with the agency requesting a grant.

~~(e)~~ (d) The commissioner shall select grantees based on the following criteria:

(1) the ability of the proposal to demonstrate need in the area served, as evidenced by a community needs assessment or other demographic data;

(2) the ability of the proposal to clearly describe how the project will achieve the purpose defined in paragraph (b);

(3) the ability of the proposal to reach underserved populations;

(4) the ability of the proposal to demonstrate community commitment to the project, as evidenced by letters of support and cooperation as well as formation of a community task force;

(5) the ability of the proposal to clearly describe the process for recruiting, training, and retraining volunteers; and

(6) the inclusion in the proposal of the plan to promote the project in the community, including outreach to persons needing the services.

~~(f)~~ (e) Funds for all projects under this subdivision may be used to:

(1) hire a coordinator to develop a coordinated network of volunteer and paid respite care services and assign workers to clients;

(2) recruit and train volunteer providers;

(3) train caregivers;

(4) ensure the development of support groups for caregivers;

(5) advertise the availability of the caregiver support and respite care project; and

(6) purchase equipment to maintain a system of assigning workers to clients.

~~(g)~~ (f) Project funds may not be used to supplant existing funding sources.

~~(h) An advisory committee shall be appointed to advise the caregiver support project on the development and implementation of the caregiver support and respite care services projects. The advisory committee shall review procedures and provide advice and technical assistance to the caregiver support project regarding the grant program established under this section.~~

~~The advisory committee shall consist of not more than 16 people appointed by the commissioner and shall be comprised of representatives from public and private agencies, service providers and consumers from all areas of the state.~~

~~Members of the advisory committee shall not be compensated for service.~~

Sec. 82. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 7, is amended to read:

Subd. 7. [CONTRACT.] The commissioner of human services shall execute a contract with an organization experienced in establishing and operating community-based programs that have used the principles listed in subdivision 8, paragraph (b), in order to meet the independent living and health needs of senior citizens aged 65 and over and provide community-based long-term care for senior citizens in their homes. The organization ~~awarded the contract~~ shall:

(1) assist the commissioner in developing criteria for and in awarding grants to establish community-based organizations that will implement living-at-home/block nurse programs throughout the state;

(2) assist the commissioner in awarding grants to enable current living-at-home/block nurse programs to implement the combined living-at-home/block nurse program model;

(3) serve as a state technical assistance center to assist and coordinate the living-at-home/block nurse programs established; and

(4) develop the implementation plan required by subdivision 10.

Sec. 83. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 8, is amended to read:

Subd. 8. [LIVING-AT-HOME/BLOCK NURSE PROGRAM GRANT.] (a) The commissioner, in cooperation with the organization awarded the contract under subdivision 7, shall develop and administer a grant program to establish ~~seven to ten~~ or expand up to 15 community-based organizations that will implement living-at-home/block nurse programs that are designed to enable senior citizens to live as independently as possible in their homes and in their communities. ~~Up to~~ At least seven of the programs must be in counties outside the seven-county metropolitan area. The living-at-home/block nurse program funds shall be available to the four to six SAIL projects established under this section. Nonprofit organizations and units of local government are eligible to apply for grants to establish the community organizations that will implement living-at-home/block nurse programs. In awarding grants, the commissioner shall give preference to nonprofit organizations and units of local government from communities that:

(1) have high nursing home occupancy rates;

(2) have a shortage of health care professionals; and

(3) meet other criteria established by the commissioner, in consultation with the organization under contract.

(b) Grant applicants must also meet the following criteria:

(1) the local community demonstrates a readiness to establish a community model of care, including the formation of a board of directors, advisory committee, or similar group, of which at least two-thirds is comprised of community citizens interested in community-based care for older persons;

(2) the program has sponsorship by a credible, representative organization within the community;

(3) the program has defined specific geographic boundaries and defined its organization, staffing and coordination/delivery of services;

(4) the program demonstrates a team approach to coordination and care, ensuring that the older adult participants, their families, the formal and informal providers are all part of the effort to plan and provide services; and

(5) the program provides assurances that all community resources and funding will be coordinated and that other funding sources will be maximized, including a person's own resources.

(c) Grant applicants must provide a minimum of five percent of total estimated development costs from local community funding. Grants shall be awarded for two-year periods, and the base amount shall not exceed $40,000 per applicant for the grant period. The commissioner, in consultation with the organization under contract, may increase the grant amount for applicants from communities that have socioeconomic characteristics that indicate a higher level of need for development assistance.

(d) Each living-at-home/block nurse program shall be designed by representatives of the communities being served to ensure that the program addresses the specific needs of the community residents. The programs must be designed to:

(1) incorporate the basic community, organizational, and service delivery principles of the living-at-home/block nurse program model;

(2) provide senior citizens with registered nurse directed assessment, provision and coordination of health and personal care services on a sliding fee basis as an alternative to expensive nursing home care;

(3) provide information, support services, homemaking services, counseling, and training for the client and family caregivers;

(4) encourage the development and use of respite care, caregiver support, and in-home support programs, such as adult foster care and in-home adult day care;

(5) encourage neighborhood residents and local organizations to collaborate in meeting the needs of senior citizens in their communities;

(6) recruit, train, and direct the use of volunteers to provide informal services and other appropriate support to senior citizens and their caregivers; and

(7) provide coordination and management of formal and informal services to senior citizens and their families using less expensive alternatives.

Sec. 84. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 11, is amended to read:

Subd. 11. [SAIL EVALUATION AND EXPANSION.] The commissioner shall evaluate the success of the SAIL projects against the objective stated in subdivision 1, paragraph (b), and recommend to the legislature the continuation or expansion of the long-term care strategy by February 15, 1993.

Sec. 85. Minnesota Statutes 1990, section 256B.092, is amended by adding a subdivision to read:

Subd. 2a. [MEDICAL ASSISTANCE FOR CASE MANAGEMENT ACTIVITIES UNDER THE STATE PLAN MEDICAID OPTION.] Upon receipt of federal approval, the commissioner shall make payments to approved vendors of case management services participating in the medical assistance program to reimburse costs for providing case management service activities to medical assistance eligible persons with mental retardation or a related condition, in accordance with the state Medicaid plan and federal requirements and limitations.

Sec. 86. Minnesota Statutes 1991 Supplement, section 256B.092, subdivision 4, is amended to read:

Subd. 4. [HOME- AND COMMUNITY-BASED SERVICES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.] The commissioner shall make payments to approved vendors participating in the medical assistance program to pay costs of providing home- and community-based services, including case management service activities provided as an approved home- and

community-based service, to medical assistance eligible persons with mental retardation or related conditions who have been screened under subdivision 7 and according to federal requirements. Federal requirements include those services and limitations included in the federally approved application for home- and community-based services for persons with mental retardation or related conditions and subsequent amendments. Payments for home- and community-based services shall not exceed amounts authorized by the county of financial responsibility. For specifically identified former residents of regional treatment centers and nursing facilities, the commissioner shall be responsible for authorizing payments and payment limits under the appropriate home- and community-based service program. Payment is available under this subdivision only for persons who, if not provided these services, would require the level of care provided in an intermediate care facility for persons with mental retardation or related conditions.

Sec. 87. [256B.0921] [STATEWIDE CAREGIVER SUPPORT AND RESPITE CARE PROJECT.]

(a) The commissioner shall establish and maintain a statewide caregiver support and respite care project. The project shall:

(1) provide information, technical assistance, and training statewide to county agencies and organizations on direct service models of caregiver support and respite care services;

(2) identify and address issues, concerns, and gaps in the statewide network for caregiver support and respite care;

(3) maintain a statewide caregiver support and respite care resource center;

(4) educate caregivers on the availability and use of caregiver and respite care services;

(5) promote and expand caregiver training and support groups using existing networks when possible; and

(6) apply for and manage grants related to caregiver support and respite care.

(b) An advisory committee shall be appointed to advise the caregiver support project on all aspects of the project including the development and implementation of the caregiver support and respite care services projects. The advisory committee shall review procedures and provide advice and technical assistance to the caregiver support project regarding the grant program established under section 256B.0917 and others established for caregivers.

The advisory committee shall consist of not more than 16 people appointed by the commissioner and shall be comprised of representatives from public and private agencies, service providers, and consumers from all areas of the state.

Members of the advisory committee shall not be compensated for service.

Sec. 88. Minnesota Statutes 1990, section 256B.14, subdivision 2, is amended to read:

Subd. 2. [ACTIONS TO OBTAIN PAYMENT.] The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete payment or repayment of medical assistance furnished to recipients for whom they are responsible. These rules shall not require payment or repayment when payment would cause undue hardship to the responsible relative or that relative's immediate family. These rules shall be consistent with the requirements of section 252.27 for parents of children whose eligibility for medical assistance was determined without deeming of the parents' resources and income. ~~For parents of children receiving services under a federal medical assistance waiver or under section 134 of the Tax Equity and Fiscal Responsibility Act of 1982, United States Code, title 42, section 1396a(e)(3), while living in their natural home, including in-home family support services, respite care, homemaker services, and minor adaptations to the home, the state agency shall take into account the room, board, and services provided by the parents in determining the parental contribution to the cost of care.~~ The county agency shall give the responsible relative notice of the amount of the payment or repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Sec. 89. Minnesota Statutes 1990, section 256B.36, is amended to read:

256B.36 [PERSONAL ALLOWANCE FOR CERTAIN RECIPIENTS OF MEDICAL ASSISTANCE.]

In addition to the personal allowance established in section 256B.35, any disabled recipient of medical assistance ~~with a handicap, mental retardation, or a related condition, confined in a skilled nursing home or intermediate care facility~~ who is a resident of a nursing facility or intermediate care facility for the mentally retarded, shall also be permitted a special personal allowance drawn solely from earnings from any ~~productive~~ employment under an individual plan of rehabilitation. This special personal allowance shall ~~not exceed (1) the limits set therefor by the commissioner, or (2) the amount of disregarded income the individual would have retained as a recipient of aid to the disabled benefits in December, 1973, whichever amount is lower~~ consist of the sum of the following amounts, deducted from earnings in the following order:

(1) $80 for the costs of meals and miscellaneous work expenses;

(2) federal insurance contributions act payments withheld from the person's earned income;

(3) actual employment related transportation expenses;

(4) other actual employment related expenses; and

(5) state and federal income taxes withheld from the person's earned income, if the person cannot be claimed as exempt from federal income tax withholding.

The maximum special personal allowance from earnings is the sum of items (1) to (5).

Sec. 90. Minnesota Statutes 1990, section 256B.41, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner shall establish, by rule, procedures for determining rates for care of residents of nursing homes which qualify as vendors of medical assistance, and for implementing the provisions of this section and sections 256B.421, 256B.431, 256B.432, 256B.433, 256B.47, 256B.48, 256B.50, and 256B.502. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in efficiently and economically operated nursing homes and shall specify the costs that are allowable for establishing payment rates through medical assistance.

Sec. 91. Minnesota Statutes 1990, section 256B.41, subdivision 2, is amended to read:

Subd. 2. [FEDERAL REQUIREMENTS.] If any provision of this section and sections 256B.421, 256B.431, 256B.432, 256B.433, 256B.47, 256B.48, 256B.50, and 256B.502, is determined by the United States government to be in conflict with existing or future requirements of the United States government with respect to federal participation in medical assistance, the federal requirements shall prevail.

Sec. 92. Minnesota Statutes 1990, section 256B.421, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For the purposes of this section and sections 256B.41, 256B.411, 256B.431, 256B.432, 256B.433, 256B.47, 256B.48, 256B.50, and 256B.502, the following terms and phrases shall have the meaning given to them.

Sec. 93. Minnesota Statutes 1990, section 256B.431, subdivision 4, is amended to read:

Subd. 4. [SPECIAL RATES.] (a) For the rate years beginning July 1, 1983, and July 1, 1984, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property-related costs calculated pursuant to the statutes and rules in effect on May 1, 1983, and for operating costs negotiated by the commissioner based upon the 60th percentile established for the appropriate group under subdivision 2a, to be effective from the first day a medical assistance recipient resides in the home or for the added beds. For newly constructed nursing homes which are not included in the calculation of the 60th percentile for any group, subdivision 2f, the commissioner shall establish by rule procedures for determining interim operating cost payment rates and interim property-related cost payment rates. The interim payment rate shall not be in effect for more than 17 months. The commissioner shall establish, by emergency and permanent rules, procedures for determining the interim rate and for making a retroactive cost settle-up after the first year of operation; the cost settled operating cost per diem shall not exceed 110 percent of the 60th percentile established for the appropriate group. Until procedures determining operating cost payment rates according to mix of resident needs are established, the commissioner shall establish by rule procedures for determining payment rates for nursing homes which provide care under a lesser care level than the level for which the nursing home is certified.

(b) For the rate years beginning on or after July 1, 1985, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property related costs, operating costs, and real estate taxes and special

assessments calculated under rules promulgated by the commissioner.

(c) For rate years beginning on or after July 1, 1983, the commissioner may exclude from a provision of 12 MCAR S 2.050 any facility that is licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, is licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690, and has less than five percent of its licensed boarding care capacity reimbursed by the medical assistance program. Until a permanent rule to establish the payment rates for facilities meeting these criteria is promulgated, the commissioner shall establish the medical assistance payment rate as follows:

(1) The desk audited payment rate in effect on June 30, 1983, remains in effect until the end of the facility's fiscal year. The commissioner shall not allow any amendments to the cost report on which this desk audited payment rate is based.

(2) For each fiscal year beginning between July 1, 1983, and June 30, 1985, the facility's payment rate shall be established by increasing the desk audited operating cost payment rate determined in clause (1) at an annual rate of five percent.

(3) For fiscal years beginning on or after July 1, 1985, but before January 1, 1988, the facility's payment rate shall be established by increasing the facility's payment rate in the facility's prior fiscal year by the increase indicated by the consumer price index for Minneapolis and St. Paul.

(4) For the fiscal year beginning on January 1, 1988, the facility's payment rate must be established using the following method: The commissioner shall divide the real estate taxes and special assessments payable as stated in the facility's current property tax statement by actual resident days to compute a real estate tax and special assessment per diem. Next, the prior year's payment rate must be adjusted by the higher of (1) the percentage change in the consumer price index (CPI-U U.S. city average) as published by the Bureau of Labor Statistics between the previous two Septembers, new series index (1967-100), or (2) 2.5 percent, to determine an adjusted payment rate. The facility's payment rate is the adjusted prior year's payment rate plus the real estate tax and special assessment per diem.

(5) For fiscal years beginning on or after January 1, 1989, the facility's payment rate must be established using the following method: The commissioner shall divide the real estate taxes and special assessments payable as stated in the facility's current property tax statement by actual resident days to compute a real estate tax and special assessment per diem. Next, the prior year's payment

rate less the real estate tax and special assessment per diem must be adjusted by the higher of (1) the percentage change in the consumer price index (CPI-U U.S. city average) as published by the Bureau of Labor Statistics between the previous two Septembers, new series index (1967-100), or (2) 2.5 percent, to determine an adjusted payment rate. The facility's payment rate is the adjusted payment rate plus the real estate tax and special assessment per diem.

(6) For the purpose of establishing payment rates under this paragraph, the facility's rate and reporting years coincide with the facility's fiscal year.

(d) A facility that meets the criteria of paragraph (c) shall submit annual cost reports on forms prescribed by the commissioner.

(e) For the rate year beginning July 1, 1985, each nursing home total payment rate must be effective two calendar months from the first day of the month after the commissioner issues the rate notice to the nursing home. From July 1, 1985, until the total payment rate becomes effective, the commissioner shall make payments to each nursing home at a temporary rate that is the prior rate year's operating cost payment rate increased by 2.6 percent plus the prior rate year's property-related payment rate and the prior rate year's real estate taxes and special assessments payment rate. The commissioner shall retroactively adjust the property-related payment rate and the real estate taxes and special assessments payment rate to July 1, 1985, but must not retroactively adjust the operating cost payment rate.

(f) For the purposes of Minnesota Rules, part 9549.0060, subpart 13, item F, the following types of transactions shall not be considered a sale or reorganization of a provider entity:

(1) the sale or transfer of a nursing home upon death of an owner;

(2) the sale or transfer of a nursing home due to serious illness or disability of an owner as defined under the social security act;

(3) the sale or transfer of the nursing home upon retirement of an owner at 62 years of age or older;

(4) any transaction in which a partner, owner, or shareholder acquires an interest or share of another partner, owner, or shareholder in a nursing home business provided the acquiring partner, owner, or shareholder has less than 50 percent ownership after the acquisition;

(5) a sale and leaseback to the same licensee which does not constitute a change in facility license;

(6) a transfer of an interest to a trust;

(7) gifts or other transfers for no consideration;

(8) a merger of two or more related organizations;

(9) a transfer of interest in a facility held in receivership;

(10) a change in the legal form of doing business other than a publicly held organization which becomes privately held or vice versa;

(11) the addition of a new partner, owner, or shareholder who owns less than 20 percent of the nursing home or the issuance of stock; or

(12) an involuntary transfer including foreclosure, bankruptcy, or assignment for the benefit of creditors.

Any increase in allowable debt or allowable interest expense or other cost incurred as a result of the foregoing transactions shall be a nonallowable cost for purposes of reimbursement under Minnesota Rules, parts 9549.0010 to 9549.0080.

~~(g) Upon receiving a recommendation from the commissioner of health for a review of rates under section 144A.15, subdivision 6, the commissioner may grant an adjustment to the nursing home's payment rate. The commissioner shall review the recommendation of the commissioner of health, together with the nursing home's cost report to determine whether or not the deficiency or need can be corrected or met by reallocating nursing home staff, costs, revenues, or other resources including any investments, efficiency incentives, or allowances. If the commissioner determines that the deficiency cannot be corrected or the need cannot be met, the commissioner shall determine the payment rate adjustment by dividing the additional annual costs established during the commissioner's review by the nursing home's actual resident days from the most recent desk-audited cost report. The payment rate adjustment must meet the conditions in section 256B.47, subdivision 2, and shall remain in effect until the receivership under section 144A.15 ends, or until another date the commissioner sets.~~

~~Upon the subsequent sale or transfer of the nursing home, the commissioner may recover amounts paid through payment rate adjustments under this paragraph. The buyer or transferee shall repay this amount to the commissioner within 60 days after the commissioner notifies the buyer or transferee of the obligation to repay. The buyer or transferee must also repay the private-pay resident the amount the private-pay resident paid through payment rate adjustment.~~

Sec. 94. Minnesota Statutes 1991 Supplement, section 256B.431, subdivision 2l, is amended to read:

Subd. 2l. [INFLATION ADJUSTMENTS AFTER JULY 1, 1990.] (a) For rate years beginning on or after July 1, 1990, the forecasted composite price index for a nursing home's allowable operating cost per diems shall be determined using Data Resources, Inc., forecast for change in the Nursing Home Market Basket. The commissioner of human services shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the calendar year preceding the rate year.

(b) For rate years beginning on or after July 1, 1992, the commissioner ~~shall~~ may index the prior year's operating cost limits by the percentage change in the Data Resources, Inc., nursing home market basket between the midpoint of the current reporting year and the midpoint of the previous reporting year. The commissioner ~~shall~~ may use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the calendar year preceding the rate year. The commissioner of finance shall include annual adjustments in operating costs for nursing homes as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11.

Sec. 95. Minnesota Statutes 1990, section 256B.432, is amended by adding a subdivision to read:

Subd. 7. [RECEIVERSHIPS.] This section does not apply to payment rates determined under sections 245A.12, 245A.13, and 256B.495, except that any additional identified costs directly associated with the department of human services' or the department of health's managing agent under a receivership must be allocated to the facility under receivership, and are nonallowable costs to the managing agent on the facility's cost reports.

Sec. 96. Minnesota Statutes 1990, section 256B.433, subdivision 1, is amended to read:

Subdivision 1. [SETTING PAYMENT; MONITORING USE OF THERAPY SERVICES.] The commissioner shall promulgate rules pursuant to the administrative procedure act to set the amount and method of payment for ancillary materials and services provided to recipients residing in nursing homes. Payment for materials and services may be made to either the nursing home in the operating cost per diem, to the vendor of ancillary services pursuant to Minnesota Rules, parts ~~9500.0750 to 9500.1080~~ 9505.0170 to 9505.0475 or to a nursing home pursuant to Minnesota Rules, parts ~~9500.0750 to 9500.1080~~ 9505.0170 to 9505.0475. Payment for the same or similar service to a recipient shall not be made to both the nursing home and the vendor. The commissioner shall ensure the avoidance of double payments through audits and adjustments to the

nursing home's annual cost report as required by section 256B.47, and that charges and arrangements for ancillary materials and services are cost effective and as would be incurred by a prudent and cost-conscious buyer. Therapy services provided to a recipient must be medically necessary and appropriate to the medical condition of the recipient. If the vendor, nursing home, or ordering physician cannot provide adequate medical necessity justification, as determined by the commissioner, in consultation with an advisory task force that meets the requirements of section 256B.064, subdivision 1a, the commissioner may recover or disallow the payment for the services and may require prior authorization for therapy services as a condition of payment or may impose administrative sanctions to limit the vendor, nursing home, or ordering physician's participation in the medical assistance program. If the provider number of a nursing home is used to bill services provided by a vendor of therapy services that is not related to the nursing home by ownership, control, affiliation, or employment status, no withholding of payment shall be imposed against the nursing home for services not medically necessary except for funds due the unrelated vendor of therapy services as provided in subdivision 3, paragraph (c). For the purpose of this subdivision, no monetary recovery may be imposed against the nursing home for funds paid to the unrelated vendor of therapy services as provided in subdivision 3, paragraph (c), for services not medically necessary. For purposes of this section and section 256B.47, therapy includes physical therapy, occupational therapy, speech therapy, audiology, and mental health services that are covered services according to Minnesota Rules, parts 9505.0170 to 9505.0475, and that could be reimbursed separately from the nursing home per diem.

Sec. 97. Minnesota Statutes 1990, section 256B.433, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATION THAT TREATMENT IS APPROPRIATE.] The physical therapist, occupational therapist, speech therapist, mental health professional, or audiologist who provides or supervises the provision of therapy services, other than an initial evaluation, to a medical assistance recipient must certify in writing that the therapy's nature, scope, duration, and intensity are appropriate to the medical condition of the recipient every 30 days. The therapist's statement of certification must be maintained in the recipient's medical record together with the specific orders by the physician and the treatment plan. If the recipient's medical record does not include these documents, the commissioner may recover or disallow the payment for such services. If the therapist determines that the therapy's nature, scope, duration, or intensity is not appropriate to the medical condition of the recipient, the therapist must provide a statement to that effect in writing to the nursing home for inclusion in the recipient's medical record. The commissioner shall utilize a peer review program that meets the requirements of section 256B.064, subdivision 1a, to make

recommendations regarding the medical necessity of services provided.

Sec. 98. Minnesota Statutes 1990, section 256B.433, subdivision 3, is amended to read:

Subd. 3. [SEPARATE BILLINGS FOR THERAPY SERVICES.] Until new procedures are developed under subdivision 4, payment for therapy services provided to nursing home residents that are billed separate from nursing home's payment rate or according to Minnesota Rules, parts ~~9500.0750 to 9500.1080~~ 9505.0170 to 9505.0475, shall be subject to the following requirements:

(a) The practitioner invoice must include, in a format specified by the commissioner, the provider number of the nursing home where the medical assistance recipient resides regardless of the service setting.

(b) Nursing homes that are related by ownership, control, affiliation, or employment status to the vendor of therapy services shall report, in a format specified by the commissioner, the revenues received during the reporting year for therapy services provided to residents of the nursing home. For rate years beginning on or after July 1, 1988, the commissioner shall offset the revenues received during the reporting year for therapy services provided to residents of the nursing home to the total payment rate of the nursing home by dividing the amount of offset by the nursing home's actual resident days. Except as specified in paragraphs (d) and (f), the amount of offset shall be the revenue in excess of 108 percent of the cost removed from the cost report resulting from the requirement of the commissioner to ensure the avoidance of double payments as determined by section 256B.47. Therapy revenues that are specific to mental health services shall be subject to this paragraph for rate years beginning after June 30, 1993. In establishing a new base period for the purpose of setting operating cost payment rate limits and rates, the commissioner shall not include the revenues offset in accordance with this section.

(c) For rate years beginning on or after July 1, 1987, nursing homes shall limit charges in total to vendors of therapy services for renting space, equipment, or obtaining other services during the rate year to 108 percent of the annualized cost removed from the reporting year cost report resulting from the requirement of the commissioner to ensure the avoidance of double payments as determined by section 256B.47. If the arrangement for therapy services is changed so that a nursing home is subject to this paragraph instead of paragraph (b), the cost that is used to determine rent must be adjusted to exclude the annualized costs for therapy services that are not provided in the rate year. The maximum charges to the vendors shall be based on the commissioner's determination of annualized cost and may be subsequently adjusted upon resolution of appeals.

Mental health services shall be subject to this paragraph for rate years beginning after June 30, 1993.

(d) The commissioner shall require reporting of all revenues relating to the provision of therapy services and shall establish a therapy cost, as determined by section 256B.47, to revenue ratio for the reporting year ending in 1986. For subsequent reporting years, the ratio may increase five percentage points in total until a new base year is established under paragraph (e). Increases in excess of five percentage points may be allowed if adequate justification is provided to and accepted by the commissioner. Unless an exception is allowed by the commissioner, the amount of offset in paragraph (b) is the greater of the amount determined in paragraph (b) or the amount of offset that is imputed based on one minus the lesser of (1) the actual reporting year ratio or (2) the base reporting year ratio increased by five percentage points, multiplied by the revenues.

(e) The commissioner may establish a new reporting year base for determining the cost to revenue ratio.

(f) If the arrangement for therapy services is changed so that a nursing home is subject to the provisions of paragraph (b) instead of paragraph (c), an average cost to revenue ratio based on the ratios of nursing homes that are subject to the provisions of paragraph (b) shall be imputed for paragraph (d).

(g) This section does not allow unrelated nursing homes to reorganize related organization therapy services and provide services among themselves to avoid offsetting revenues. Nursing homes that are found to be in violation of this provision shall be subject to the penalty requirements of section 256B.48, subdivision 1, paragraph (f).

Sec. 99. Minnesota Statutes 1990, section 256B.48, subdivision 3, is amended to read:

Subd. 3. [INCOMPLETE OR INACCURATE REPORTS.] The commissioner may reject any annual cost report filed by a nursing home pursuant to this chapter if the commissioner determines that the report or the information required in subdivision 2, clause (a) has been filed in a form that is incomplete or inaccurate. In the event that a report is rejected pursuant to this subdivision, the commissioner shall reduce the reimbursement rate to a nursing home to 80 percent of its most recently established rate until the information is completely and accurately filed. The reinstatement of the total reimbursement rate is retroactive.

Sec. 100. Minnesota Statutes 1991 Supplement, section 256B.49, subdivision 4, is amended to read:

Subd. 4. [INFLATION ADJUSTMENT.] For the biennium ending June 30, 1993, the commissioner of human services shall not provide an annual inflation adjustment for home and community-based waivered services, except as provided in section 256B.491, subdivision 3, and except that the commissioner shall provide an inflation adjustment for the community alternatives for disabled individuals (CADI) and community alternative care (CAC) waivered services programs for the fiscal year beginning July 1, 1991. For fiscal years beginning after June 30, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for home- and community-based waivered 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 each home- and community-based waivered service.

Sec. 101. Minnesota Statutes 1990, section 256B.495, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT OF RECEIVERSHIP FEES.] The commissioner in consultation with the commissioner of health may establish a receivership fee ~~payment~~ that exceeds a ~~long-term care~~ nursing facility payment rate when the commissioner of health determines a ~~long-term care~~ nursing facility is subject to the receivership provisions under section 144A.14 or 144A.15 ~~or the commissioner of human services determines that a facility is subject to the receivership under section 245A.12 or 245A.13~~. In establishing the receivership fee ~~payment~~, the commissioner must reduce the receiver's requested receivership fee by amounts that the commissioner determines are included in the ~~long-term care~~ nursing facility's payment rate and that can be used to cover part or all of the receivership fee. Amounts that can be used to reduce the receivership fee shall be determined by reallocating facility staff or costs that were formerly paid by the ~~long-term care~~ nursing facility before the receivership and are no longer required to be paid. The amounts may include any efficiency incentive, allowance, and other amounts not specifically required to be paid for expenditures of the ~~long-term care~~ nursing facility.

If the receivership fee cannot be covered by amounts in the ~~long-term care~~ nursing facility's payment rate, a receivership fee ~~payment~~ shall be set according to paragraphs (a) and (b) and payment shall be according to paragraphs (c) to (e).

(a) The receivership fee per diem shall be determined by dividing the annual receivership fee ~~payment~~ by the ~~long-term care~~ nursing facility's resident days from the most recent cost report for which the commissioner has established a payment rate or the estimated resident days in the projected receivership fee period.

(b) The receivership fee per diem shall be added to the ~~long-term care~~ nursing facility's payment rate.

(c) Notification of the payment rate increase must meet the requirements of section 256B.47, subdivision 2.

(d) The payment rate in paragraph (b) for a nursing ~~home~~ facility shall be effective the first day of the month following the receiver's compliance with the notice conditions in paragraph (c). ~~The payment rate in paragraph (b) for an intermediate care facility for the mentally retarded shall be effective on the first day of the rate year in which the receivership fee per diem is determined.~~

(e) The commissioner may elect to make a lump sum payment of a portion of the receivership fee to the receiver or managing agent. In this case, the commissioner and the receiver or managing agent shall agree to a repayment plan. Regardless of whether the commissioner makes a lump sum payment under this paragraph, the provisions of paragraphs (a) to (d) and subdivision 2 also apply.

Sec. 102. Minnesota Statutes 1990, section 256B.495, is amended by adding a subdivision to read:

Subd. 1a. [RECEIVERSHIP PAYMENT RATE ADJUSTMENT.] Upon receiving a recommendation from the commissioner of health for a review of rates under either section 144A.14 or 144A.15, the commissioner may grant an adjustment to the nursing home's payment rate. The commissioner shall review the recommendation of the commissioner of health, together with the nursing home's cost report to determine whether or not the deficiency or need can be corrected or met by reallocating nursing home staff, costs, revenues, or other resources including any investments, efficiency incentives, or allowances. If the commissioner determines that the deficiency cannot be corrected or the need cannot be met, the commissioner shall determine the payment rate adjustment by dividing the additional annual costs established during the commissioner's review by the nursing home's actual resident days from the most recent desk-audited cost report.

Sec. 103. Minnesota Statutes 1990, section 256B.495, subdivision 2, is amended to read:

Subd. 2. [DEDUCTION OF ADDITIONAL RECEIVERSHIP ~~FEE~~ PAYMENTS UPON TERMINATION OF RECEIVERSHIP.] If the commissioner has established a receivership fee per diem for a ~~long-term care~~ nursing facility in receivership under subdivision 1 or a payment rate adjustment under subdivision 1a, the commissioner must deduct ~~the~~ these receivership ~~fee~~ payments according to paragraphs (a) to (c).

(a) The total receivership fee payments shall be the receivership ~~fee~~ per diem plus the payment rate adjustment multiplied by the number of resident days for the period of the receivership ~~fee payments~~. If actual resident days for the receivership ~~fee payment~~ period are not made available within two weeks of the commissioner's written request, the commissioner shall compute the resident days by prorating the facility's resident days based on the number of calendar days from each portion of the ~~long-term care~~ nursing facility's reporting years covered by the receivership period.

(b) The amount determined in paragraph (a) must be divided by the ~~long-term care~~ nursing facility's resident days for the reporting year in which the receivership period ends.

(c) The per diem amount in paragraph (b) shall be subtracted from the ~~long-term care~~ nursing facility's operating cost payment rate for the rate year following the reporting year in which the receivership period ends. This provision applies whether or not there is a sale or transfer of the nursing facility, unless the provisions of subdivision 5 apply.

Sec. 104. Minnesota Statutes 1990, section 256B.495, is amended by adding a subdivision to read:

Subd. 4. [DOWNSIZING AND CLOSING NURSING FACILITIES.] (a) If the nursing facility is subject to a downsizing to closure process during the period of receivership, the commissioner may reestablish the nursing facility's payment rate. The payment rate shall be established based on the nursing facility's budgeted operating costs, the receivership property related costs, and the management fee costs for the receivership period divided by the facility's estimated resident days for the same period. The commissioner of health and the commissioner shall make every effort to first facilitate the transfer of private paying residents to alternate service sites prior to the effective date of the payment rate. The cost limits and the case mix provisions in the rate setting system shall not apply during the portion of the receivership period over which the nursing facility downsizes to closure.

(b) Any payment rate adjustment under this subdivision must meet the conditions in section 256B.47, subdivision 2, and shall remain in effect until the receivership ends, or until another date the commissioner sets.

Sec. 105. Minnesota Statutes 1990, section 256B.495, is amended by adding a subdivision to read:

Subd. 5. [SALE OR TRANSFER OF A NURSING FACILITY IN RECEIVERSHIP AFTER CLOSURE.] (a) Upon the subsequent sale or transfer of a nursing facility in receivership, the commissioner must recover any amounts paid through payment rate adjustments

under subdivision 4 which exceed the normal cost of operating the nursing facility. Examples of costs in excess of the normal cost of operating the nursing facility include the managing agent's fee, directly identifiable costs of the managing agent, bonuses paid to employees for their continued employment during the downsizing to closure of the nursing facility, prereceivership expenditures paid by the receiver, additional professional services such as accountants, psychologists, and dietitians, and other similar costs incurred by the receiver to complete receivership. The buyer or transferee shall repay this amount to the commissioner within 60 days after the commissioner notifies the buyer or transferee of the obligation to repay. The buyer or transferee must also repay the private-pay resident the amount the private-pay resident paid through payment rate adjustment.

(b) If a nursing facility with payment rates subject to subdivision 4, paragraph (a), is later sold while the nursing facility is in receivership, the payment rates in effect prior to the receivership shall be the new owner's payment rates. Those payment rates shall continue to be in effect until the rate year following the reporting period ending on September 30 for the new owner. The reporting period shall, whenever possible, be at least five consecutive months. If the reporting period is less than five months but more than three months, the nursing facility's resident days for the last two months of the reporting period must be annualized over the reporting period for the purpose of computing the payment rate for the rate year following the reporting period.

Sec. 106. Minnesota Statutes 1990, section 256B.501, subdivision 3c, is amended to read:

Subd. 3c. [COMPOSITE FORECASTED INDEX.] For rate years beginning on or after October 1, 1988, the commissioner shall establish a statewide composite forecasted index to take into account economic trends and conditions between the midpoint of the facility's reporting year and the midpoint of the rate year following the reporting year. The statewide composite index must incorporate the forecast by Data Resources, Inc. of increases in the average hourly earnings of nursing and personal care workers indexed in Standard Industrial Code 805 in "Employment and Earnings," published by the Bureau of Labor Statistics, United States Department of Labor. This portion of the index must be weighted annually by the proportion of total allowable salaries and wages to the total allowable operating costs in the program, maintenance, and administrative operating cost categories for all facilities.

For adjustments to the other operating costs in the program, maintenance, and administrative operating cost categories, the statewide index must incorporate the Data Resources, Inc. forecast for increases in the national CPI-U. This portion of the index must be weighted annually by the proportion of total allowable other

operating costs to the total allowable operating costs in the program, maintenance, and administrative operating cost categories for all facilities. The commissioner shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the reporting year.

For rate years beginning on or after October 1, 1990, the commissioner ~~shall~~ may index a facility's allowable operating costs in the program, maintenance, and administrative operating cost categories by using Data Resources, Inc., forecast for change in the Consumer Price Index-All Items (U.S. city average) (CPI-U). The commissioner ~~shall~~ may use the indices as forecasted by Data Resources, Inc., in the first quarter of the calendar year in which the rate year begins. The commissioner of finance shall include annual adjustments in operating costs for intermediate care facilities for persons with mental retardation and related conditions as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11.

Sec. 107. Minnesota Statutes 1990, section 256B.501, is amended by adding a subdivision to read:

Subd. 4a. [INCLUSION OF HOME CARE COSTS IN WAIVER RATES.] The commissioner shall adjust the limits of the established average daily reimbursement rates for waivered services to include the cost of home care services that may be provided to waivered services recipients. This adjustment must be used to maintain or increase services and shall not be used by county agencies for inflation increases for waivered services vendors. Home care services referenced in this section are those listed in section 256B.0627, subdivision 2. The average daily reimbursement rates established in accordance with the provisions of this subdivision apply only to the combined average, daily costs of waivered and home care services and do not change home care limitations under section 256B.0627. Waivered services recipients receiving home care as of June 30, 1992, shall not have the amount of their services reduced as a result of this section.

Sec. 108. Minnesota Statutes 1990, section 256B.501, is amended by adding a subdivision to read:

Subd. 4b. [WAIVER RATES AND RESIDENTIAL HOUSING RATES.] The average daily reimbursement rates established by the commissioner for waivered services shall be adjusted to include the additional costs of services eligible for waiver funding under title XIX of the Social Security Act and for which there is no group residential housing payment available as a result of the payment limitations set forth in section 256I.05, subdivision 10. The adjustment to the waiver rates shall be based on county reports of service costs that are no longer eligible for group residential housing payments. No adjustment shall be made for any amount of reported payments that prior to July 1, 1992, exceeded the group residential

housing rate limits established in section 256I.05, and were reimbursed through county funds.

Sec. 109. Minnesota Statutes 1990, section 256D.02, is amended by adding a subdivision to read:

Subd. 18. [GROUP HEALTH PLAN.] "Group health plan" means any plan of, or contributed to by, an employer, including a self-insured plan, which provides health care directly or otherwise to the employer's employees, former employees, or the families of the employees or former employees, and includes continuation coverage pursuant to title XXII of the Public Health Service Act, section 4980B of the Internal Revenue Code of 1986, or title VI of the Employee Retirement Income Security Act of 1974.

Sec. 110. Minnesota Statutes 1990, section 256D.02, is amended by adding a subdivision to read:

Subd. 19. [COST-EFFECTIVE.] "Cost-effective" means that the amount paid by the state for premiums, coinsurance, deductibles, other cost-sharing obligations under a health insurance plan, and other administrative costs is likely to be less than the amount paid for an equivalent set of services by general assistance medical care.

Sec. 111. Minnesota Statutes 1990, section 256D.03, is amended by adding a subdivision to read:

Subd. 3b. [COOPERATION.] General assistance medical care applicants and recipients must cooperate by providing information about any group health plan in which they may be eligible to enroll. They must cooperate with the state and local agency in determining if the plan is cost-effective. If the plan is determined cost-effective and the premium will be paid by the state or local agency or is available at no cost to the person, they must enroll or remain enrolled in the group health plan. Cost-effective insurance premiums approved for payment by the state agency and paid by the local agency are eligible for reimbursement according to subdivision 6.

Sec. 112. Minnesota Statutes 1991 Supplement, section 256D.03, subdivision 4, is amended to read:

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

(1) inpatient hospital services;

(2) outpatient hospital services;

(3) services provided by Medicare certified rehabilitation agencies;

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

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

(6) eyeglasses and eye examinations provided by a physician or optometrist;

(7) hearing aids;

(8) prosthetic devices;

(9) laboratory and X-ray services;

(10) physician's services;

(11) medical transportation;

(12) chiropractic services as covered under the medical assistance program;

(13) podiatric services;

(14) dental services;

(15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;

(16) day treatment services for mental illness provided under contract with the county board;

(17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;

(18) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;

(19) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments for a person who would be eligible for medical assistance except that the person resides in an institution for mental diseases; and

(20) medical equipment not specifically listed in this paragraph

when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision.

(b) For a recipient who is eligible under subdivision 3, paragraph (a), clause (1) or (2), general assistance medical care covers the services listed in paragraph (a) with the exception of special transportation services.

(c) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall consult with an independent actuary in establishing prepayment rates, but shall retain final control over the rate methodology.

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

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

For the period January 1, 1986, to December 31, 1986, reductions

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

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

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

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

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

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

(f) Chemical dependency services that are reimbursed under

chapter 254B must not be reimbursed under general assistance medical care.

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

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

Sec. 113. Minnesota Statutes 1991 Supplement, section 256D.05, subdivision 1, is amended to read:

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

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

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

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

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

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

(6) a person who has an application pending for, or is appealing termination of benefits from, the social security disability program or the program of supplemental security income for the aged, blind,

and disabled, provided the person has a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

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

(8) a person who, following participation in the work readiness program, completion of an individualized employability assessment by the work readiness service provider, and consultation between the county agency and the work readiness service provider, the ~~county agency~~ work readiness service provider determines is not employable. For purposes of this item, a person is considered employable if the county agency determines that there exist positions of employment in the local labor market, regardless of the current availability of openings for those positions, that the person is capable of performing. Eligibility under this category must be reassessed at least annually by the county agency and must be based upon the results of a new individualized employability assessment completed by the work readiness service provider. The recipient shall, if otherwise eligible, continue to receive general assistance while the annual individualized employability assessment is completed by the work readiness service provider, rather than receive work readiness payments under section 256D.051. Subsequent eligibility for general assistance is dependent upon the county agency determining, following consultation with the work readiness service provider, that the person is not employable, or the person meeting the requirements of another general assistance category of eligibility;

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

(10) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, but only if: the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the county agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the county agency. For purposes of this clause, "legally emancipated" means a person under the age of 18 years who: (i) has been married; (ii) is on active duty in the uniformed services of the United States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise considered emancipated under Minnesota law, and for whom county social services has not determined that a social services case plan is

necessary, for reasons other than that the child has failed or refuses to cooperate with the county agency in developing the plan;

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

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

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

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

(15) a family as defined in section 256D.02, subdivision 5, which is ineligible for the aid to families with dependent children program. If all children in the family are six years of age or older, or if suitable child care is available for children under age six at no cost to the family, all the adult members of the family must register for and cooperate in the work readiness program under section 256D.051. If one or more of the children is under the age of six and suitable child care is not available without cost to the family, all the adult members except one adult member must register for and cooperate with the work readiness program under section 256D.051. The adult member who must participate in the work readiness program is the one having earned the greater of the incomes, excluding in-kind income, during the 24-month period immediately preceding the month of application for assistance. When there are no earnings or when earnings are identical for each adult, the applicant must designate the adult who must participate in work readiness and that designation must not be transferred or changed after program eligibility is determined as long as program eligibility continues without an interruption of 30 days or more. The adult members required to register for and cooperate with the work readiness program are not eligible for financial assistance under section 256D.051, except as provided in section 256D.051, subdivision 6, and shall be included in the general assistance grant. If an adult member fails to cooperate with requirements of section 256D.051, the local agency shall not take that member's needs into account in making the grant determination as provided by the termination provisions of section 256D.051, subdivision 1a, paragraph (b). The time limits of section 256D.051, subdivision 1, do not apply to persons eligible under this clause; or

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

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

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

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

Sec. 114. Minnesota Statutes 1991 Supplement, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] (a) Except as provided in this subdivision, persons who are residents of the state and whose income and resources are less than the standard of assistance established by the commissioner, but who are not categorically eligible under section 256D.05, subdivision 1, are eligible for the work readiness program for a maximum period of five consecutive calendar months during any 12 consecutive calendar month period, subject to the provisions of paragraph (d), subdivision 3, and section 256D.052, subdivision 4. The person's five-month eligibility period begins on the first day of the calendar month following the date of application for assistance or following the date all eligibility factors are met, whichever is later, and ends on the last day of the fifth consecutive calendar month, whether or not the person has received benefits for all five months. The person is not eligible to receive work readiness benefits during the seven calendar months immediately following the five-month eligibility period; however, the person may voluntarily continue to participate in work readiness services for up to three additional consecutive months immediately following the last month of benefits to complete the provisions of the person's employability development plan. Prior to terminating work readiness assistance the county agency must provide advice on the person's eligibility for general assistance medical care and must assess the person's eligibility for general assistance under section 256D.05 to the extent possible, using information in the case file, and determine the person's eligibility for general assistance. A determination that the person is not eligible for general assistance

must be stated in the notice of termination of work readiness benefits. The notice must be provided at least 30 days before the expiration of the period of work readiness eligibility and shall contain information concerning eligibility for emergency assistance pursuant to section 256D.06, subdivision 2.

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

(c) Except for family members who must participate in work readiness services under the provisions of section 256D.05, subdivision 1, clause (14), any person who would be defined for purposes of the food stamp program as being enrolled at least half-time in an institution of higher education is ineligible for the work readiness program.

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

Sec. 115. Minnesota Statutes 1991 Supplement, section 256D.051, subdivision 1a, is amended to read:

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

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

At the time the county agency notifies the assistance unit that it is eligible for family general assistance or work readiness assistance and by the first day of each month of services, the county agency must inform all mandatory registrants in the assistance unit that they must comply with all work readiness requirements that month, and that work readiness eligibility will end at the end of the month unless the registrants comply with work readiness requirements specified in the notice. A registrant who fails, without good cause, to comply with requirements during this time period, including attendance at orientation, will lose family general assistance or work readiness eligibility ~~without notice under section 256D.101, subdivision 1, paragraph (b)~~. The registrant ~~shall, however, be sent a notice no later than five days after eligibility ends~~ shall be sent a notice under section 256D.10, which informs the registrant that

family general assistance or work readiness eligibility ~~has ended~~ will end in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination and advise the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. Subsequent assistance must not be issued unless the person completes an application, is determined eligible, and complies with the work readiness requirements that had not been complied with, or demonstrates that the person had good cause for failing to comply with the requirement. The time during which the person is ineligible under these provisions is counted as part of the person's period of eligibility under subdivision 1.

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

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

Sec. 116. Minnesota Statutes 1990, section 256D.06, subdivision 5, is amended to read:

Subd. 5. Any applicant, otherwise eligible for general assistance and possibly eligible for maintenance benefits from any other source shall (a) make application for those benefits within 30 days of the general assistance application; and (b) execute an interim assistance authorization agreement on a form as directed by the commissioner. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which general assistance was also being received, the recipient shall be required to reimburse the county agency for the interim assistance paid. Reimbursement shall not exceed the amount of general assistance paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard applicable to that time period. The commissioner shall adopt rules, and may adopt emergency rules, authorizing county agencies or other client representatives to retain from the amount recovered under an interim assistance agreement 25 percent plus actual reasonable fees, costs, and disbursements of appeals and litigation, of providing special assistance to the recipient in processing the recipient's claim for maintenance benefits from another source. The money retained under this section shall be from the state share of the recovery. The commissioner or the county agency may contract with qualified

persons to provide the special assistance. The rules adopted by the commissioner shall include the methods by which county agencies shall identify, refer, and assist recipients who may be eligible for benefits under federal programs for the disabled. This subdivision does not require repayment of per diem payments made to shelters for battered women pursuant to section 256D.05, subdivision 3.

Sec. 117. Minnesota Statutes 1990, section 256D.06, is amended by adding a subdivision to read:

Subd. 5a. [SSI CONVERSIONS AND BACK CLAIMS.] The commissioner of human services shall contract with county social services agencies or directly with local nonprofit social service agencies as necessary to ensure that clients who are presently receiving assistance under sections 256D.01 to 256D.21, and who may be eligible for benefits under the federal supplemental security income program, apply and, when eligible, are converted to the federal income assistance program and made eligible for health care benefits under the medical assistance program. The commissioner shall ensure that monies owing to the state under interim assistance agreements are collected. The commissioner shall also develop procedures for collecting federal Medicare and medical assistance funds for which clients converted to SSI are retroactively eligible. The commissioner shall report to the legislature by January 15, 1993, on the implementation of this section. The report shall contain information on the following:

(1) the number of clients converted from general assistance to SSI, by county;

(2) information on whether the county social service agency or a nonprofit entity made the conversions;

(3) the amount of money collected through interim assistance agreements;

(4) the amount of money collected in federal Medicare or Medicaid funds;

(5) problems encountered in processing conversions and back claims; and

(6) recommended changes to enhance recoveries and maximize the receipt of federal money in the most efficient way possible.

Sec. 118. Minnesota Statutes 1991 Supplement, section 256D.10, is amended to read:

256D.10 [HEARINGS PRIOR TO REDUCTION; TERMINATION; SUSPENSION OF GENERAL ASSISTANCE GRANTS.]

No grant of general assistance except one made pursuant to section 256D.06, subdivision 2; 256D.051, ~~subdivisions~~ subdivision 1, paragraph (d)~~, and 1a, paragraph (b)~~; or 256D.08, subdivision 2, shall be reduced, terminated or suspended unless the recipient receives notice and is afforded an opportunity to be heard prior to any action by the county agency.

Nothing herein shall deprive a recipient of the right to full administrative and judicial review of an order or determination of a county agency as provided for in section 256.045 subsequent to any action taken by a county agency after a prior hearing.

Sec. 119. Minnesota Statutes 1991 Supplement, section 256D.101, subdivision 3, is amended to read:

Subd. 3. [BENEFITS AFTER NOTIFICATION.] Subject to section 256D.10, assistance payments otherwise due to the registrant under section 256D.051 may not be paid after the notification required in subdivision 1 has been provided to the registrant unless, before the date stated in the notification, the registrant takes the specified action necessary to achieve compliance. Appeals of terminations from the work readiness program shall be heard within 30 days of the date that the appeal was filed.

Sec. 120. Minnesota Statutes 1990, section 256E.05, is amended by adding a subdivision to read:

Subd. 3b. [DEMONSTRATION PROJECTS.] (a) Notwithstanding section 256E.05, subdivision 3a, the commissioner shall establish a pilot project in Ramsey county to test alternatives to the delivery of mental health services required under sections 245.461 to 245.486.

(b) The authority of the county board to set policy for the provision of mental health services is prescribed in section 245.466. The authority encompasses policies relating to all local administrative, fiscal, and clinical activity.

(c) The demonstration project may include issues in the service delivery system relating to:

(1) financial assistance and the ability to use existing funds flexibly to downsize residential facilities for persons with mental illness governed by Minnesota Rules, parts 9520.0500 to 9520.0690;

(2) integrated program funding to permit flexibility in expenditures based on local needs and local control;

(3) flexibility in the delivery of case management services;

(4) waiver or removal of the rate cap and moratorium on negotiated rate facilities; and

(5) establishing a county human services department as the primary agency accountable to the county board for planning, evaluation, and monitoring of a centralized mental health service system.

(d) For purposes of the demonstration project, the integrated funding may include, but not be limited to, current mental health expenditures, including maintenance costs, from the following sources provided that any share of mental health expenditures from sources listed that are used for commitment or treatment in a regional treatment center must not be part of integrated funding:

(1) general assistance medical care;

(2) general assistance;

(3) medical assistance;

(4) Minnesota supplemental aid;

(5) grants for residential services for adults with mental illness;

(6) grants for community support services programs for persons with serious and persistent mental illness; and

(7) mental health special project grants.

(e) Evaluation of the project will be based on outcome evaluation criteria negotiated with the county before implementation of the demonstration projects.

(f) If the county fails to meet the conditions in the demonstration projects' proposals as approved by the commissioner, the commissioner may rescind the waiver rule and regulations.

(g) The demonstration project must be completed by July 1, 1996, and a report issued to the commissioner by January 1, 1997.

Sec. 121. Minnesota Statutes 1990, section 256E.14, is amended to read:

256E.14 [GRANTS FOR CASE MANAGEMENT FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

~~For the biennium ending June 30, 1991,~~ The commissioner shall distribute to counties the appropriation made available under this

section for case management services for persons with mental retardation or related conditions ~~as follows:~~

~~(1) one-half of the appropriation must be distributed to the counties according to the formula in section 256E.06, subdivision 1; and~~

~~(2) one-half of~~ as provided in this section. The appropriation must be distributed to the counties on the basis of the number of persons with mental retardation or a related condition that were receiving case management services from the county on the January 1 preceding the start of the fiscal year in which the funds are distributed. The appropriation may be reduced by the amount necessary to meet the state match for medical reimbursement under section 256B.092, subdivision 2a.

Sec. 122. Minnesota Statutes 1990, section 256H.01, is amended by adding a subdivision to read:

Subd. 1a. [APPLICANT.] "Child care fund applicants" means all parents, stepparents, legal guardians, or eligible relative caretakers who reside in the household that applies for child care assistance under the child care fund.

Sec. 123. Minnesota Statutes 1990, section 256H.01, subdivision 9, is amended to read:

Subd. 9. [FAMILY.] "Family" means parents, stepparents, guardians, or other ~~caretaker relatives~~ eligible relative caretakers, 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, or ~~other caregiver relatives~~ eligible relative caretakers 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. 124. Minnesota Statutes 1991 Supplement, section 256H.03, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION FORMULA.] Beginning July 1, 1992, the basic sliding fee state and federal funds shall be allocated according to the following formula:

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

(b) One-fourth of the funds shall be allocated based on the number of children under age 13 in each county who are enrolled in general assistance medical care, medical assistance, and the children's health plan on July 1, of each year.

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

Sec. 125. Minnesota Statutes 1991 Supplement, 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 ~~nonfederal share of~~ direct child care expenditures adjusted for the administrative allowance and 15 percent required county match ~~and seven percent administration limit~~.

(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. 126. Minnesota Statutes 1991 Supplement, section 256H.05, subdivision 1b, is amended to read:

Subd. 1b. [ELIGIBLE RECIPIENTS.] Families eligible for guaranteed child care assistance under the AFDC child care program are:

(1) persons receiving services under section 256.736;

(2) AFDC recipients who are employed;

(3) persons who are members of transition year families under section 256H.01, subdivision 16; ~~and~~

(4) members of the control group for the STRIDE evaluation conducted by the Manpower Demonstration Research Corporation; and

(5) AFDC caretakers who are participating in the non-STRIDE AFDC child care program.

Sec. 127. Minnesota Statutes 1991 Supplement, section 256H.05, is amended by adding a subdivision to read:

Subd. 6. [NON-STRIDE AFDC CHILD CARE PROGRAM.] Starting one month after the effective date of this subdivision, the department of human services shall reimburse eligible expenditures for 2,000 family slots for AFDC caretakers not eligible for services under section 256.736, who are engaged in an authorized educational or job search program. Each county will receive a number of family slots based on the county's proportion of the AFDC caseload. A county must receive at least two family slots. Eligibility and reimbursement are limited to the number of family slots allocated to each county. County agencies shall authorize an educational plan for each student and may prioritize families eligible for this program in their child care fund plan upon approval of the commissioner of human services.

Sec. 128. Minnesota Statutes 1990, section 256H.10, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY FACTORS.] Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(a) receive aid to families with dependent children and are receiving employment and training services under section 256.736;

(b) have household income below the eligibility levels for aid to families with dependent children; or

(c) have household income within a range established by the commissioner.

(d) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. Child care services to families whose incomes are below the threshold of eligibility for aid to families with dependent children, but ~~that are not receiving aid to families with dependent children~~ are not AFDC caretakers, must be made available ~~without~~

~~cost to the families~~ with the minimum copayment required by federal law.

Sec. 129. Minnesota Statutes 1990, section 256I.01, is amended to read:

256I.01 [CITATION.]

Sections 256I.01 to 256I.06 shall be cited as the "~~negotiated~~ group residential housing rate act."

Sec. 130. Minnesota Statutes 1990, section 256I.02, is amended to read:

256I.02 [PURPOSE.]

The ~~negotiated~~ group residential housing rate act establishes a comprehensive system of rates and payments for persons who reside in a ~~negotiated rate~~ group residence and who meet the eligibility criteria of the general assistance program under sections 256D.01 to 256D.21, or the Minnesota supplemental aid program under sections 256D.33 to 256D.54.

Sec. 131. Minnesota Statutes 1990, section 256I.03, subdivision 2, is amended to read:

Subd. 2. [~~NEGOTIATED~~ GROUP RESIDENTIAL HOUSING RATE.] "~~Negotiated~~ Group residential housing rate" means a monthly rate set for shelter, fuel, food, utilities, household supplies, and other costs necessary to provide room and board for individuals eligible for general assistance under sections 256D.01 to 256D.21 or supplemental aid under sections 256D.33 to 256D.54. ~~Negotiated~~ Group residential housing rate does not include payments for foster care for children who are not blind, child welfare services, medical care, dental care, hospitalization, nursing care, drugs or medical supplies, program costs, or other social services. However, the ~~negotiated~~ group residential housing rate for recipients living in residences in section 256I.05, subdivision 2, paragraph (c), clause (2), includes all items covered by that residence's medical assistance per diem rate. The rate is negotiated by the county agency or the state according to the provisions of sections 256I.01 to 256I.06.

Sec. 132. Minnesota Statutes 1990, section 256I.03, subdivision 3, is amended to read:

Subd. 3. [~~NEGOTIATED RATE RESIDENCE~~ GROUP RESIDENTIAL HOUSING.] "~~Negotiated rate residence~~ Group residential housing" means a group living situation that provides at a minimum room and board to unrelated persons who meet the eligibility requirements of section 256I.04. This definition includes foster care

settings for a single adult. To receive payment for a ~~negotiated~~ group residence rate, the residence must be licensed by either the department of health or human services and must comply with applicable laws and rules establishing standards for health, safety, and licensure. Secure crisis shelters for battered women and their children licensed by the department of corrections are not ~~negotiated rate~~ group residences under this chapter.

Sec. 133. Minnesota Statutes 1990, section 256I.04, as amended by Laws 1991, chapter 292, article 2, section 68, is amended to read:

256I.04 [ELIGIBILITY FOR ~~NEGOTIATED RATE~~ GROUP RESIDENTIAL HOUSING PAYMENT.]

Subdivision 1. [ELIGIBILITY REQUIREMENTS.] To be eligible for a ~~negotiated rate~~ group residential housing payment, the individual must be eligible for general assistance under sections 256D.01 to 256D.21, or supplemental aid under sections 256D.33 to 256D.54. If the individual is in the ~~negotiated rate~~ group residence due to illness or incapacity, the individual must be in the residence under a plan developed or approved by the county agency. Residence in other ~~negotiated rate~~ group residences must be approved by the county agency.

Subd. 2. [DATE OF ELIGIBILITY.] For a person living in a ~~negotiated rate~~ group residence who is eligible for general assistance under sections 256D.01 to 256D.21, payment shall be made from the date a signed application form is received by the county agency or the date the applicant meets all eligibility factors, whichever is later. For a person living in a ~~negotiated rate~~ group residence who is eligible for supplemental aid under sections 256D.33 to 256D.54, payment shall be made from the first of the month in which an approved application is received by a county agency.

Subd. 3. [MORATORIUM ON THE DEVELOPMENT OF ~~NEGOTIATED RATE~~ GROUP RESIDENTIAL HOUSING BEDS.] County agencies shall not enter into agreements for new general assistance or Minnesota supplemental aid ~~negotiated rate~~ group residence housing beds except:

(1) for adult foster homes licensed by the commissioner of human services under Minnesota Rules, parts 9555.5105 to 9555.6265;

(2) for facilities licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, provided the facility is needed to meet the census reduction targets for persons with mental retardation or related conditions at regional treatment centers;

(3) to ensure compliance with the federal Omnibus Budget Rec-

onciliation Act alternative disposition plan requirements for inappropriately placed persons with mental retardation or related conditions or mental illness; or

(4) ~~for up to five handicapped accessible beds in a facility that serves primarily persons with a mental illness or chemical dependency that began construction to add space for the new beds before April 1, 1991, and will complete construction or remodeling by December 1, 1991.~~ up to 80 beds in a single, specialized facility located in Hennepin county that will provide housing for chronic inebriates who are repetitive users of detoxification centers and are refused placement in emergency shelters because of their state of intoxication. Planning for the specialized facility must have been initiated before July 1, 1991, in anticipation of receiving a grant from the housing finance agency under section 462A.05, subdivision 20a, paragraph (b).

Sec. 134. Minnesota Statutes 1990, section 256I.05, subdivision 1, is amended to read:

Subdivision 1. [MONTHLY RATES.] Monthly payments for rates negotiated by a county agency, or set by the department under rules developed pursuant to subdivision 6, on behalf of a recipient living in a ~~negotiated rate~~ group residence ~~may be paid at the rates in effect on March 1, 1985,~~ must not ~~to~~ exceed ~~$919.80 in 1989. The maximum negotiated rate must be increased annually according to subdivision 7. The county agency may provide an annual increase in the March 1, 1985, payment rate using the formula in subdivision 7, provided the resulting rate does not exceed the maximum negotiated rate~~ $966.37 for a group residence that entered into an initial group residential housing agreement with a county agency before June 1, 1989. The county agency may at any time negotiate a lower payment rate than the rate that would otherwise be paid under this subdivision ~~and subdivision 7~~.

Sec. 135. Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 1a, is amended to read:

Subd. 1a. [LOWER MAXIMUM ~~RATE~~ RATES.] (a) The maximum monthly rate for a general assistance or Minnesota supplemental aid ~~negotiated rate~~ group residence that enters into an initial ~~negotiated rate~~ group residential housing agreement with a county agency on or after June 1, 1989, may not exceed 90 percent of the maximum rate established under subdivision 1. This is effective until June 30, 1993, or until the statewide system authorized under subdivision 6 is established, whichever occurs first.

(b) The maximum monthly rate for a general assistance or Minnesota supplemental aid group residence that is neither licensed by nor registered with the department of health, or by the depart-

ment of human services, to provide programs or services in addition to room and board is an amount equal to the total of:

(1) the combined maximum shelter and basic needs standards for Minnesota supplemental aid recipients living alone specified in section 256D.44, subdivisions 2, paragraph (a), and 3, paragraph (a); plus

(2) for persons who are not eligible to receive food stamps due to living arrangements, the maximum allotment authorized by the federal food stamp program for a single individual which is in effect on the first day of July each year; less

(3) the personal needs allowance authorized for medical assistance recipients under section 256B.35.

Sec. 136. Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 1b, is amended to read:

Subd. 1b. [RATES FOR UNCERTIFIED BOARDING CARE HOMES.] Effective July 1, 1992, the maximum rate ~~for a boarding care home not certified to receive medical assistance is equal to 65 percent of the average nursing home level "A" rate in effect for the geographic area in which the boarding care home is located, except that a facility's rate must not be reduced by more than ten percent for the year ending June 30, 1992. This is effective until June 30, 1993. A noncertified boarding care home licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, is exempt from this rate limit. The commissioner shall study the numbers of facilities and residents that will be affected by the limit in this subdivision, the number of facilities likely to close because of the limit, the available alternatives for affected residents, methods of relocating or securing alternative placements for residents, and other effects of the limit. The commissioner shall provide a report to the legislature by January 1, 1992, on the commissioner's findings and recommendations relating to the rate limit~~ specified in subdivision 1 does not apply to a facility which was licensed by the department of health as a boarding care home before March 1, 1985, and which is not certified to receive medical assistance.

Sec. 137. Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 2, is amended to read:

Subd. 2. [MONTHLY RATES; EXEMPTIONS.] (a) The maximum negotiated rate does not apply to a residence that on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690. For residences in this clause that have less than five percent of their licensed boarding care capacity reimbursed by the medical assistance pro-

gram, rate increases shall be provided according to section 256B.431, subdivision 4, paragraph (c).

(b) The maximum negotiated rate does not apply to a residence that on August 1, 1984, was licensed by the commissioner of human services under Minnesota Rules, parts 9525.0520 to 9525.0660, but funded as a negotiated rate residence under general assistance or Minnesota supplemental aid. Rate increases for these residences are subject to the provisions of subdivision 7.

(c) The maximum negotiated rate does not apply to a residence certified to participate in the medical assistance program, licensed as a boarding care facility or a nursing home, and declared to be an institution for mental disease by January 1, 1989. Effective January 1, 1989, the rate for these residences is the individual's appropriate medical assistance case mix rate. The exclusion from the rate limit for residences under this clause continues until ~~June~~ September 30, 1992. The commissioner of human services, in consultation with the counties in which these residences are located, shall review the status of each certified nursing home and board and care facility declared to be an institution for mental disease. This review shall include the cost effectiveness of continued payment for residents through general assistance or Minnesota supplemental aid; the appropriateness of placement of general assistance or supplemental aid clients in these facilities; the effects of Public Law Number 100-203 on these facilities; and the role of these facilities in the mental health service delivery system. The commissioner shall make recommendations to the legislature by January 1, 1990, regarding the need to continue the exclusion of these facilities from the negotiated rate maximum and the future role of these facilities in serving persons with mental illness.

(d) The commissioner of human services shall take the following action in relation to certified boarding care facilities and nursing homes that have been declared institutions for mental diseases, excluding those facilities exempt under paragraph (a):

(1) All mental health and placement screenings and diagnostic assessments required under the federal Omnibus Budget Reconciliation Act (OBRA) must be completed by July 1, 1991, for all residents in institutions for mental diseases admitted before June 1, 1991. Residents determined to need relocation under the preadmission screening and annual resident review must be relocated to a more appropriate placement in accordance with the timelines established in the state's alternative disposition plan.

(2) By October 1, 1991, all institutions for mental diseases must be reviewed again by the commissioner to determine if they are still institutions for mental diseases, and the commissioner shall immediately revoke a declaration that a facility is an institution for

mental diseases if the commissioner determines that the facility is not an institution for mental diseases.

(3) The commissioner shall provide to institutions for mental diseases training in the criteria used in assessing residents for determination of institutions for mental diseases status and the numbers of residents in each category.

(4) For facilities whose status as an institution for mental diseases is not revoked by the commissioner by October 1, 1991, a facility-specific plan must be developed by the commissioner and the facility, in consultation with the appropriate consumer groups, to offer alternative services to enough residents by July 1, 1992, to allow the commissioner to revoke the facility's status as an institution for mental diseases.

Sec. 138. Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 2, is amended to read:

Subd. 2. [MONTHLY RATES; EXEMPTIONS.] (a) The maximum ~~negotiated~~ group residential housing rate does not apply to a residence that on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690. ~~For residences in this clause that have less than five percent of their licensed boarding care capacity reimbursed by the medical assistance program, rate increases shall be provided according to section 256B.431, subdivision 4, paragraph (c).~~

(b) The maximum ~~negotiated~~ group residential housing rate does not apply to a residence that on August 1, 1984, was licensed by the commissioner of human services under Minnesota Rules, parts 9525.0520 to 9525.0660, but funded as a ~~negotiated rate~~ group residence under general assistance or Minnesota supplemental aid. ~~Rate increases for these residences are subject to the provisions of subdivision 7.~~

~~(c) The maximum negotiated rate does not apply to a residence certified to participate in the medical assistance program, licensed as a boarding care facility or a nursing home, and declared to be an institution for mental disease by January 1, 1989. Effective January 1, 1989, the rate for these residences is the individual's appropriate medical assistance case mix rate. The exclusion from the rate limit for residences under this clause continues until June 30, 1992. The commissioner of human services, in consultation with the counties in which these residences are located, shall review the status of each certified nursing home and board and care facility declared to be an institution for mental disease. This review shall include the cost effectiveness of continued payment for residents through general assistance or Minnesota supplemental aid; the appropriateness of~~

~~placement of general assistance or supplemental aid clients in these facilities; the effects of Public Law Number 100-203 on these facilities; and the role of these facilities in the mental health service delivery system. The commissioner shall make recommendations to the legislature by January 1, 1990, regarding the need to continue the exclusion of these facilities from the negotiated rate maximum and the future role of these facilities in serving persons with mental illness.~~

~~(d) The commissioner of human services shall take the following action in relation to certified boarding care facilities and nursing homes that have been declared institutions for mental diseases, excluding those facilities exempt under paragraph (a):~~

~~(1) All mental health and placement screenings and diagnostic assessments required under the federal Omnibus Budget Reconciliation Act (OBRA) must be completed by July 1, 1991, for all residents in institutions for mental diseases admitted before June 1, 1991. Residents determined to need relocation under the preadmission screening and annual resident review must be relocated to a more appropriate placement in accordance with the timelines established in the state's alternative disposition plan.~~

~~(2) By October 1, 1991, all institutions for mental diseases must be reviewed again by the commissioner to determine if they are still institutions for mental diseases, and the commissioner shall immediately revoke a declaration that a facility is an institution for mental diseases if the commissioner determines that the facility is not an institution for mental diseases.~~

~~(3) The commissioner shall provide to institutions for mental diseases training in the criteria used in assessing residents for determination of institutions for mental diseases status and the numbers of residents in each category.~~

~~(4) For facilities whose status as an institution for mental diseases is not revoked by the commissioner by October 1, 1991, a facility-specific plan must be developed by the commissioner and the facility, in consultation with the appropriate consumer groups, to offer alternative services to enough residents by July 1, 1992, to allow the commissioner to revoke the facility's status as an institution for mental diseases.~~

Sec. 139. Minnesota Statutes 1990, section 256I.05, subdivision 3, is amended to read:

Subd. 3. [LIMITS ON RATES.] When a ~~negotiated~~ group residential housing rate is used to pay for an individual's room and board, the rate payable to the residence must not exceed the rate paid by an individual not receiving a ~~negotiated~~ group residential housing rate under this chapter.

Sec. 140. Minnesota Statutes 1990, section 256I.05, subdivision 6, is amended to read:

Subd. 6. [STATEWIDE RATE SETTING SYSTEM.] The commissioner shall establish a comprehensive statewide system of rates and payments for recipients who reside in ~~residences with negotiated rates~~ group residential housing to be effective ~~January 1, 1992, or~~ as soon as possible ~~after that date~~. The commissioner may adopt rules to establish this rate setting system.

Sec. 141. Minnesota Statutes 1990, section 256I.05, is amended by adding a subdivision to read:

Subd. 7b. [COMMISSIONER'S DUTIES.] The commissioner shall not provide automatic annual inflation adjustments for group residential housing rates for the fiscal year beginning on June 30, 1993, and for subsequent fiscal years. The commissioner of finance shall include as a budget change request annual adjustments in reimbursement rates for group residential housing in each biennial detailed expenditure budget submitted to the legislature under section 16A.11.

Sec. 142. Minnesota Statutes 1990, section 256I.05, subdivision 8, is amended to read:

Subd. 8. [STATE PARTICIPATION.] For a resident of a ~~negotiated rate~~ group residence who is eligible for general assistance under sections 256D.01 to 256D.21, state participation in the ~~negotiated~~ group residential housing rate is determined according to section 256D.03, subdivision 2. For a resident of a ~~negotiated rate facility~~ group residence who is eligible under sections 256D.33 to 256D.54, state participation in the ~~negotiated~~ group residential housing rate is determined according to section 256D.36.

Sec. 143. Minnesota Statutes 1990, section 256I.05, subdivision 9, is amended to read:

Subd. 9. [PERSONAL NEEDS ALLOWANCE.] In addition to the ~~negotiated~~ group residential housing rate paid for the room and board costs, a person residing in a ~~negotiated rate~~ group residence shall receive an allowance for clothing and personal needs. The allowance shall not be less than that authorized for a medical assistance recipient in section 256B.35.

Sec. 144. Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 10, is amended to read:

Subd. 10. [FOSTER CARE.] In keeping with the definition of "group residential housing rate" established in section 256I.03, subdivision 2, beginning July 1, 1992, the ~~negotiated~~ group residen-

tial housing rate of a residence licensed as a foster home is limited to the rate set for room and board ~~costs~~ payments provided the foster home is not the license holder's primary residence, or the license holder is not the primary caregiver to persons receiving services in the ~~negotiated rate~~ group residence~~,~~ and ~~federal funding is available to pay for~~ so long as the cost of other necessary services meets the definition of services or costs eligible for payment under the state's Medicaid program under title XIX of the Social Security Act and the persons receiving services in the group residence also receive title XIX home- and community-based waiver services for persons with mental retardation or a related condition or persons with traumatic or acquired brain injury. For the ~~purpose~~ purposes of this section, the July 1, 1992, rate set for room and board ~~costs mean costs of providing food and shelter for eligible persons, and includes the directly identifiable~~ payments must not exceed the group residential housing rate effective June 30, 1992, minus the additional rate to be paid under title XIX of the Social Security Act. Until a statewide rate setting system is developed in accordance with subdivision 6, "room and board payments" referenced in this section means the payments for the usual costs of:

(1) normal and special diet, food preparation and food services;

(2) providing linen, bedding, laundering, and laundry supplies;

(3) housekeeping, including cleaning and lavatory supplies;

(4) maintenance and operation of the residence and grounds, including fuel, utilities, supplies, and equipment;

(5) the allocation of salaries related to these areas; and

(6) the lease or mortgage payment, property tax and insurance, furnishings and appliances.

For purposes of this section, room and board costs do not include the costs of modifications and adaptations of the facility required to ensure the health and safety of the resident or to meet the requirements of the applicable life safety code when those costs meet the definition of services and costs eligible for payment under the state's Medicaid program under title XIX of the Social Security Act. The facilities identified in this section shall be subject to a statewide rate setting system identified in subdivision 6 once the rate setting system has been developed. Any amount of payment made by counties prior to July 1, 1992, that exceeds the rate caps established in subdivisions 1 and 2 is not considered part of the group residential housing rate under this section and may not be considered as part of the group residential housing rate set as of July 1, 1992, nor shall that amount be considered eligible for payment under title XIX of the Social Security Act.

Sec. 145. [256I.051] [RATE LIMITATION; WAIVERED SERVICES ELIGIBILITY.]

Subdivision 1. [GROUP RESIDENTIAL HOUSING RATE.] If a group residential housing rate for an adult foster care or board and lodging placement is for an individual who would be or is eligible for the home- and community-based services, elderly, disabled, or chronically ill waivers, the group residential housing rate must include only the room and board portion of the rate. The room and board portion of the group residential housing rate is an amount equal to the total of:

(a) the combined maximum shelter and basic needs standards for Minnesota supplemental aid recipients living alone, specified in section 256D.44, subdivisions 2, paragraph (a), and 3, paragraph (a); plus

(b) the maximum allotment authorized by the federal food stamp program for a single individual in effect on the first day of July each year to be applied to persons who are not eligible to receive food stamps due to living arrangement; and less

(c) the personal needs allowance authorized for medical assistance recipients under section 256B.35.

Subd. 2. [APPLICATION.] Subdivision 1 applies only to those facilities that provide only room and board.

Sec. 146. Minnesota Statutes 1990, section 256I.06, is amended to read:

256I.06 [PAYMENT METHODS.]

When a ~~negotiated~~ group residential housing rate is used to pay the room and board costs of a person eligible under sections 256D.01 to 256D.21, the monthly payment may be issued as a voucher or vendor payment. When a ~~negotiated~~ group residential housing rate is used to pay the room and board costs of a person eligible under sections 256D.33 to 256D.54, payments must be made to the recipient. If a recipient is not able to manage the recipient's finances, a representative payee must be appointed.

Sec. 147. Minnesota Statutes 1991 Supplement, section 268.914, subdivision 2, is amended to read:

Subd. 2. [SERVICE EXPANSION GRANTS.] One-third of any biennial increase in the state appropriations for head start programs shall be allocated by the commissioner of jobs and training, under a request for proposal system, to existing head start grantees for service expansion. The additional funds provided to a grantee under

this subdivision in fiscal year 1992 must be considered part of the grantee's funding base for future formula allocations of state and federal funds.

Priority for state-funded service expansion grants must be given to applicants who propose to:

(1) coordinate or ~~co-locate~~ colocate the services through an existing community-based, family-oriented program such as a family resource center;

(2) minimize the amount of state funding that is needed for initial construction or remodeling costs by using an existing facility, by sharing a facility with a school or other program, or by obtaining contributions for these costs from private or local sources;

(3) reduce the costs and time of transportation by enabling children to attend a program closer to their home communities;

(4) increase services in an area where less than 15 percent of eligible children are enrolled; and

(5) expand programs within a city where no center-based program exists.

~~The additional funds provided to a grantee under this subdivision shall be considered part of the grantees funding base for future formula allocations of state or federal funds.~~

Sec. 148. Minnesota Statutes 1990, section 363.071, is amended by adding a subdivision to read:

Subd. 7. [LITIGATION AND HEARING COSTS.] The administrative law judge may order a respondent who is determined to have engaged in an unfair discriminatory practice to reimburse the department and the attorney general for all or part of appropriate litigation and hearing costs expended in preparing for and conducting the hearing. Appropriate costs include, but are not limited to, the costs of services rendered by the attorney general, private attorneys if engaged by the department, administrative law judges, court reporters, and expert witnesses, as well as the costs of transcripts and other necessary supplies and materials.

Sec. 149. Minnesota Statutes 1990, section 363.14, subdivision 3, is amended to read:

Subd. 3. [ATTORNEY'S FEES AND COSTS.] In any action or proceeding brought pursuant to this section the court, in its discretion, may allow the prevailing party a reasonable attorney's fee as part of the costs. In any case brought by the department, the court

may order a respondent who is determined to have engaged in an unfair discriminatory practice to reimburse the department and the attorney general for all or part of appropriate litigation and court costs expended in preparing for and conducting the hearing. Appropriate costs include, but are not limited to, the costs of services rendered by the attorney general, private attorneys if engaged by the department, court costs, court reporters, and expert witnesses, as well as the costs of transcripts and other necessary supplies and materials.

Sec. 150. [STATE-OPERATED COMMUNITY SERVICES APPROPRIATION.]

Notwithstanding Laws 1991, chapter 292, article 1, section 2, subdivision 8, the language contained in that subdivision providing that receipts received for the state-operated community services program are appropriated to the commissioner for that purpose is of no effect. These receipts are deposited and appropriated to the commissioner as provided under Minnesota Statutes, section 246.18.

Sec. 151. [WAIVERED SERVICES RATE STRUCTURE.]

The commissioner of human services shall report to the legislature by January 15, 1993, with plans to implement on July 1, 1993, a rate structure for home- and community-based services under title XIX of the Social Security Act which bases funding on assessed client needs.

Sec. 152. [EVALUATION OF DAY HABILITATION ALTERNATIVES.]

The commissioner shall convene an advisory committee of persons concerned and affected by the projects established in sections 252.71 and 252.72 to assist in implementing and evaluating the impacts of payments to businesses and alternatives to day training and habilitation. The evaluation shall include the number and type of persons participating in the projects, the type and number of businesses supporting workers with developmental disabilities, the amount and type of alternative services provided by the vendor, and the impact of these projects on existing services. The commissioner shall report the results of the evaluation to the legislature by February 1, 1993. The number of persons with developmental disabilities participating in these projects shall not exceed 50 persons unless otherwise authorized by the legislature.

Sec. 153. [FAMILY INVESTMENT PLAN IMPLEMENTATION.]

Notwithstanding the second sentence of Laws 1991, chapter 292, article 5, section 85, subdivision 1, the commissioner shall imple-

ment the Minnesota family investment plan field trials pursuant to sections 32 to 39 beginning April 1, 1994.

Sec. 154. [SERVICE EXPANSION GRANTS FOR FISCAL YEAR 1993.]

The appropriation in Laws 1991, chapter 292, article 1, section 5, subdivision 3, for fiscal year 1993 must be used to fund center-based head start programs that received service expansion grants fund in fiscal year 1992 based upon formula allocations of state and federal funds.

Sec. 155. [MSA SHARED HOUSING DEMONSTRATION PROJECT.]

Within available appropriations, the commissioner of human services shall establish a shared housing demonstration project for mentally ill persons receiving assistance under the Minnesota supplemental aid (MSA) program established by Minnesota Statutes, sections 256D.33 to 256D.54. Persons selected for the project shall be MSA recipients who are mentally ill and who are certified by a physician as needing shared housing for medical reasons. These individuals shall be permitted to reside with other individuals while still receiving the full MSA shelter allowance and full basic needs allowance under Minnesota Statutes, section 256D.44. The purpose of the project is to demonstrate that allowing full MSA grants for certain persons with mental illness who share housing can be effective in helping those individuals avoid costly mental health treatment including repeated hospitalizations.

As part of the demonstration project, the commissioner shall conduct a survey of mental health professionals and county case managers and shall analyze the MSA caseload figures maintained by the department of human services. The purpose of the survey and analysis is to determine the likely number of individuals that would be impacted by an increase in the standard of assistance under Minnesota Statutes, section 256D.44, for mentally ill persons in shared housing situations. The commissioner shall consult with mental health advocacy and other public interest groups in preparing and carrying out the survey. The commissioner shall report to the legislature by January 15, 1994, on the results of the survey and demonstration project.

Sec. 156. [SOCIAL SERVICE PILOT PROJECT; INTERGOVERNMENTAL AGREEMENTS.]

Subdivision 1. [FINDINGS AND PURPOSE.] The legislature finds that the social service delivery system has become unnecessarily complicated and burdened by administrative regulations. In addition, there is a lack of emphasis on quality in the social service delivery system and too much emphasis on procedural requirements.

The legislature supports establishing pilot projects to evaluate alternative methods to fund, plan for, and regulate community social services to improve the quality and efficiency of community social services in Minnesota.

Subd. 2. [PILOT PROJECTS.] The commissioner of human services may approve up to six counties to participate in a pilot project to demonstrate the use of intergovernmental contracts between the state and counties to fund, administer, and regulate the delivery of programs under Minnesota Statutes, sections 245.461 to 245.4861 and 245.487 to 245.4887, and Minnesota Statutes, chapter 256E. The commissioner shall consider statewide distribution and county population in selecting counties for the pilot project. Counties may also develop integrated plans for any social service and community health programs which shall be accepted by the commissioners of health and human services in lieu of plans required in statute or rule. Two or more counties may submit joint proposals under the pilot project. The pilot projects shall expire after June 30, 1997.

Subd. 3. [PURPOSE OF PILOT PROJECTS.] Purposes of the social service contract pilot projects include:

(a) Improving the quality of social services provided to persons by county human service agencies.

(b) Eliminating administrative mandates and procedural requirements governing delivery of social services.

(c) Consolidating program funds to permit county flexibility in the use of program funds.

(d) Encouraging intercounty and regional cooperation and coordination.

(e) Simplifying and consolidating planning and reporting requirements.

(f) Determining feasibility of using outcome-based performance standards to regulate the delivery of social services by counties.

(g) Clarifying the role of counties and state in the delivery of social services programs.

Subd. 4. [TERMS; CONDITIONS OF INTERGOVERNMENTAL AGREEMENTS.] Counties participating in the pilot projects shall be exempt from the procedural requirements in state law except as required in federal law. Counties providing services under the pilot project shall continue mandated services. Program funds may be consolidated to permit the greatest flexibility in the delivery of services. Each intergovernmental agreement shall specify a limited

and reasonable number of measurable objectives based on the county's community social services plan which will be used by the state to determine compliance. Counties participating in pilot projects will be required to provide mandated services to all eligible persons but will have flexibility in the delivery of services and use of funds. The county shall review pilot projects proposed under sections 1 to 6 with all county social services and mental health advisory committees and councils.

Subd. 5. [MONITORING AND ENFORCEMENT.] The commissioner of human services shall monitor the pilot projects to determine compliance with the terms of the intergovernmental contracts and to assure that social services are delivered according to the county community social services act plan. The commissioner may rescind approval for the pilot project if the county fails to comply with the terms of the intergovernmental contract. If approval is withdrawn, the county will immediately be subject to all the requirements of the administrative rules governing programs covered under the intergovernmental contract.

Subd. 6. [DISPUTE RESOLUTION.] Nothing in this section shall alter the due process rights available to persons under state and federal law. Disputes which arise between the state and county in the development of contracts authorized in this section shall be resolved through mediation. The state and county shall select a mediator acceptable to both parties for the purpose of resolving disputes.

Sec. 157. [FEDERAL WAIVER.]

The commissioner shall enter into a contract under section 156 only if permitted under federal laws. The commissioner shall seek federal approval and apply for a waiver of existing requirements, if necessary.

Sec. 158. [MENTAL HEALTH SERVICES DELIVERY SYSTEM PILOT PROJECT IN DAKOTA COUNTY.]

Subdivision 1. [AUTHORIZATION FOR PILOT PROJECT.] (a) Notwithstanding Minnesota Statutes, section 256E.05, subdivision 3a, after July 1, 1992, the commissioner of human services shall establish a pilot project in Dakota county to test alternatives to the delivery of mental health services required under the Minnesota comprehensive mental health act, Minnesota Statutes, sections 245.461 to 245.486.

(b) The pilot project shall be established to design and plan an improved mental health services delivery system for adults with serious and persistent mental illness that would: (1) enhance consumer choice and flexibility; (2) maximize local community-based alternatives; (3) support persons in independent living ar-

rangements; (4) enhance the person's ability to work; (5) ensure the person a place in the community; and (6) enhance the development of a strong community-based psychiatric program.

(c) By January 1, 1993, the pilot program shall develop a comprehensive proposal for integrated program funding which would permit flexibility in expenditures based on local needs with local control. The planning process shall include, but not be limited to, mental health consumers, health advocacy groups, Dakota county, and the department of human services.

The integrated funding proposal shall be presented to the state legislature for approval prior to implementation on July 1, 1993.

(d) The pilot project may include, but not be limited to, issues in the service delivery system relating to:

(1) financial assistance from the state and the ability to use existing funds flexibly to downsize residential facilities for persons with mental illness governed by Minnesota Rules, parts 9520.0500 to 9520.0690;

(2) joint collaboration or program development projects between counties to enhance efficiency and expand program opportunities in such areas as mental illness and chemical dependency, downsizing of residential facilities for persons with mental illness, and residential or supported living arrangements for mothers with mental illness and their children;

(3) integrated program funding to permit flexibility in expenditures based on local needs with local control;

(4) flexibility in the delivery of case management services;

(5) waiver or removal of the rate cap and moratorium on negotiated rate facilities;

(6) broader usage and additional services to be covered under the medical assistance state plan rehabilitation option;

(7) prepaid managed health care programs; and

(8) commitment of persons under Minnesota Statutes, chapter 253B, to community facilities and programs.

(e) The integrated funding may include current mental health expenditures, including maintenance costs, from the following sources:

(1) general assistance medical care;

(2) general assistance;

(3) medical assistance;

(4) Minnesota supplemental aid;

(5) grants for residential services for adults with mental illness;

(6) grants for community support services programs for persons with serious and persistent mental illness; and

(7) mental health special project grants.

(f) The pilot project shall establish an opportunity to expand educational opportunities in the area of community-based psychiatry. The pilot project shall develop and may implement a psychiatric residency program at the Dakota Mental Health Center, Inc. The program may train at least one psychiatric resident per year. The program may contract with a psychiatric faculty member from a Minnesota medical school who will supervise the resident and assist in the development of a strong community-based psychiatric program.

(g) For purposes of the pilot project, for those persons committed under Minnesota Statutes, chapter 253B, and awaiting transfer to a regional treatment center, postcommitment costs of care will be added to the cost of care as provided for in Minnesota Statutes, sections 246.50, subdivision 5, and 246.54.

(h) An intergovernmental agreement or contract may be developed between the county and state to specify the terms of the pilot.

(i) Evaluation of the pilot project will be based on outcome evaluation criteria negotiated with the county prior to implementation of the pilot project.

(j) The pilot project shall be implemented after July 1, 1992.

(k) The pilot project shall be completed by July 1, 1997.

(l) A report on the pilot project must be completed by January 1, 1998, and a report presented to the commissioner.

Subd. 2. [DUTIES OF THE COMMISSIONER.] For purposes of the pilot project, the commissioner:

(1) shall combine all mental health program and funding plans into one comprehensive plan unless otherwise required by federal law. Any mental health expenditures from regional treatment center appropriations or any share of expenditures from mental

health funding used for commitment to or treatment in a regional treatment center shall not become part of any comprehensive fund or plan;

(2) may waive administrative rule requirements for the duration of the pilot project status;

(3) may exempt the participating county from fiscal sanctions for noncompliance with social services requirements in laws and rules; and

(4) shall recommend legislative changes in the biennial state plan if the results of the pilot project indicate the need for legislative change.

Sec. 159. [ADVISORY TASK FORCE; VIOLENCE AGAINST WOMEN.]

Subdivision 1. [CREATION.] An advisory task force on violence against women is created consisting of ten members. The speaker of the house of representatives and the majority leader of the senate shall each appoint two members, one woman and one man, from among the representatives and senators. The governor shall appoint the remaining six members, three women and three men, from among the general public, including representatives of programs serving battered women and victims of sexual assault and with attention to geographic and cultural diversity. The advisory task force shall elect a chair from among its members.

Members of the advisory task force shall be compensated as provided in Minnesota Statutes, section 15.059, subdivision 6.

The commissioner of corrections shall appoint a person to be liaison between the commissioner and the task force who shall assist the task force in the performance of its duties.

Subd. 2. [STAFF.] The commissioner of corrections shall provide the task force with technical, research, and other staff assistance.

Subd. 3. [DUTIES.] The advisory task force, with the assistance of the commissioner of corrections, shall conduct a comprehensive review of the problem of violence against and harassment of women. In particular, the advisory task force shall study ways of accomplishing the following objectives:

(1) early identification of individuals who commit or are at high risk of committing acts of violence or harassment against women;

(2) successful treatment of individuals who commit or are at high risk of committing acts of violence or harassment against women;

(3) effective prosecution and punishment of individuals who commit acts of violence against women so as to best protect public safety and reduce the risk of future violence against women;

(4) effective education of the public on the nature of the problem of violence and harassment against women and the best means for combating it;

(5) coordination of efforts within local communities to prevent and respond to violence against women;

(6) identification of, and methods for addressing, the emergency and long-term needs of women who have experienced violence or harassment, including advocacy, effective legal representation, financial resources, and housing; and

(7) other effective prevention methods.

Subd. 4. [REPORT.] The advisory task force shall submit a report to the legislature on or before February 1, 1993, containing its findings and recommendations on the issues described in subdivision 2.

Subd. 5. [EXPIRATION.] The advisory task force shall expire on February 15, 1993.

Sec. 160. [ACCESS TO MAXIS; TRANSFER OF FUNDS.]

The department of human services shall transfer summary data from the MAXIS data system to Alexandria technical college for the purpose of developing graphic representation of the data for legislative and executive branch use, as requested, utilizing geographic information systems. For purposes of this section, summary data has the meaning given it in section 13.021, subdivision 19. In fiscal year 1993, the department of human services shall transfer $100,000 of its computer-related budget to the state board of technical colleges for use by the Alexandria technical college in developing information technology and related expenses, including personnel.

Sec. 161. [THERAPEUTIC SERVICES RULE SUSPENSION.]

Minnesota Rules, part 9505.0390, subpart 1, item B, is suspended until June 30, 1993.

The department of human services shall report to the legislature by February 15, 1993, on the effect of this suspension.

Sec. 162. [REVISOR'S INSTRUCTIONS.]

The revisor of statutes shall change the headnote in Minnesota Statutes, section 256B.495, from "LONG-TERM CARE RECEIVERSHIP FEES" to "NURSING FACILITY RECEIVERSHIP FEES." The revisor shall change the term "nursing home" and similar terms to "nursing facility" and similar terms in Minnesota Statutes, sections 256B.41, 256B.411, 256B.421, 256B.431, 256B.432, 256B.433, 256B.47, 256B.48, and 256B.50.

Sec. 163. [REPEALER; REGIONAL TREATMENT CENTER.]

Minnesota Statutes 1990, sections 245.0311; 245.0312; 246.14; and 253B.14, are repealed.

Sec. 164. [REPEALER; ASSET LIMITATIONS FOR VETERANS.]

Minnesota Statutes 1990, section 256B.056, subdivision 3a, is repealed.

Sec. 165. [REPEALER; HEALTH; NEGOTIATED GENERAL ASSISTANCE RATES.]

Minnesota Statutes 1990, sections 144A.15, subdivision 6; 256B.495, subdivision 3; and 256I.05, subdivision 7; and Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 7a, are repealed.

Sec. 166. [EFFECTIVE DATE; SUPPORT OF PERSONS WITH MENTAL RETARDATION; ALTERNATIVE SERVICES FOR OLDER PERSONS WITH MENTAL RETARDATION.]

Sections 28 and 29 are effective the day following final enactment.

Sec. 167. [EFFECTIVE DATE; ELIGIBILITY FOR PAYMENT OF MEDICARE PART B PREMIUMS.]

Section 54 is effective January 1, 1993.

Sec. 168. [EFFECTIVE DATE; CHILD CARE PROGRAMS.]

Sections 123 to 128 are effective the day following final enactment. The transfer from the basic sliding fee program to the AFDC child care program in section 1, subdivision 4, is effective the day following final enactment.

Sec. 169. [EFFECTIVE DATE; SPECIALIZED HOUSING FOR CHRONIC INEBRIATES.]

Section 133, subdivision 3, clause (4), is effective July 1, 1993.

Sec. 170. [EFFECTIVE DATE; STATEWIDE CAREGIVER SUPPORT.]

Section 87 is effective the day following final enactment.

Sec. 171. [EFFECTIVE DATE; CLIENT PREMIUMS MEDICAL ASSISTANCE ALTERNATIVE CARE PROGRAM.]

Section 72 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; providing for the organization, operation, and administration of programs relating to state government, higher education, infrastructure and regulatory agencies, environment and natural resources, and human resources; making grants; imposing conditions; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 1990, sections 3.21; 3.736, subdivision 8; 5.14; 10A.31, subdivision 4; 15.0597, subdivision 4; 16A.45, by adding a subdivision; 16A.48, subdivision 1; 16B.85, subdivision 5; 17.03, by adding a subdivision; 18B.26, subdivision 3; 44A.0311; 60A.1701, subdivision 5; 69.031, subdivision 5; 72B.04, subdivision 10; 80A.28, subdivision 2; 82.21, subdivision 1; 82B.09, subdivision 1; 85.015, subdivision 7; 85A.04, subdivision 1; 89.035; 89.37, by adding a subdivision; 116J.9673, subdivision 4; 116P.11; 136A.121, by adding a subdivision; 136A.1354, subdivision 4; 136A.29, subdivision 9; 136C.04, by adding a subdivision; 136C.05, subdivision 5; 138.56, by adding a subdivision; 141.21, by adding a subdivision; 144.122; 144.123, subdivision 2; 144A.071, subdivision 2; 144A.073, subdivisions 3a and 5; 147.02, by adding a subdivision; 169.01, subdivision 55; 169.965, by adding a subdivision; 202A.19, subdivision 3; 204B.11, subdivision 1; 204B.27, subdivision 2; 204D.11, subdivisions 1 and 2; 237.701, subdivision 1; 240.14, subdivision 3; 245A.02, by adding a subdivision; 245A.13, subdivision 4; 252.025, subdivision 4; 254A.03, subdivision 2; 256.81; 256.9655; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.035; 256B.056, subdivisions 1a, 5, and by adding a subdivision; 256B.057, by adding a subdivision; 256B.0625, subdivision 9, and by adding subdivisions; 256B.064, by adding a subdivision; 256B.092, by adding a subdivision; 256B.14, subdivision 2; 256B.19, by adding a subdivision; 256B.36; 256B.41, subdivisions 1 and 2; 256B.421, subdivision 1; 256B.431, subdivisions 2i, 4, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.433, subdivisions 1, 2, and 3; 256B.48, subdivisions 1b, 3, and by adding a subdivision; 256B.495, subdivisions 1, 2, and by adding subdivisions; 256B.501, subdivision 3c, and by adding subdivisions; 256D.02, by adding subdivisions; 256D.03, by adding a subdivision; 256D.06, subdivision 5, and by adding a subdivision; 256E.05, by adding a subdivision; 256E.14; 256H.01, subdivision 9, and by adding a subdivision; 256H.10, subdivision 1;

256I.01; 256I.02; 256I.03, subdivisions 2 and 3; 256I.04, as amended; 256I.05, subdivisions 1, 3, 6, 8, 9, and by adding a subdivision; 256I.06; 257.67, subdivision 3; 270.063; 270.71; 298.221; 299E.01, subdivision 1; 340A.301, subdivision 6; 340A.302, subdivision 3; 340A.315, subdivision 1; 340A.317, subdivision 2; 340A.408, subdivision 4; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.39; 345.42, subdivision 3; 352.04, subdivisions 2 and 3; 353.27, subdivision 13; 353.65, subdivision 7; 356.65, subdivision 1; 357.021, subdivision 1a; 357.022; 357.18, by adding a subdivision; 359.01, subdivision 3; 363.071, by adding a subdivision; 363.14, subdivision 3; 466.06; 490.123, by adding a subdivision; 514.67; 518.14; 518.171, subdivisions 1, 3, 4, and 6; 518.175, subdivision 1; 518.54, subdivision 4; 518.551, subdivisions 1, 7, 10, and by adding subdivisions; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 548.091, subdivision 1a; 588.20; 609.131, by adding a subdivision; 609.375, subdivisions 1 and 2; 609.5315, by adding a subdivision; 611.27, by adding subdivisions; and 626.861, subdivision 3; Minnesota Statutes 1991 Supplement, sections 16A.45, subdivision 1; 16A.723, subdivision 2; 17.63; 28A.08; 41A.09, subdivision 3; 43A.316, subdivision 9; 60A.14, subdivision 1; 84.0855; 89.37, subdivision 4; 121.936, subdivision 1; 135A.03, subdivisions 1a, 3a, and 7; 136A.121, subdivision 6; 136A.1353, subdivision 4; 144.50, subdivision 6; 144A.071, subdivisions 3 and 3a; 144A.31, subdivision 2a; 148.91, subdivision 3; 148.921, subdivision 2; 148.925, subdivisions 1, 2, and by adding a subdivision; 168.129, subdivisions 1 and 2; 182.666, subdivision 2; 214.101, subdivision 1; 240.13, subdivisions 5 and 6; 240.15, subdivision 6; 240.18, by adding a subdivision; 245A.03, subdivision 2; 252.28, subdivision 1; 252.46, subdivision 3; 252.50, subdivision 2; 254B.04, subdivision 1; 256.031, subdivision 3; 256.033, subdivisions 1, 2, 3, and 5; 256.034, subdivision 3; 256.035, subdivision 1; 256.0361, subdivision 2; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 2, 20, 21, and by adding a subdivision; 256.9751, subdivisions 1 and 6; 256B.0625, subdivision 13; 256B.0627, subdivision 5; 256B.064, subdivision 2; 256B.0911, subdivisions 3, 8, and by adding a subdivision; 256B.0913, subdivisions 4, 5, 8, 11, 12, and 14; 256B.0915, subdivision 3, and by adding subdivisions; 256B.0917, subdivisions 2, 3, 4, 5, 6, 7, 8, and 11; 256B.092, subdivision 4; 256B.431, subdivisions 2l and 3f; 256B.49, subdivision 4; 256B.74, subdivisions 1 and 3; 256D.03, subdivision 4; 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 256D.10; 256D.101, subdivision 3; 256H.03, subdivisions 4 and 6; 256H.05, subdivision 1b, and by adding a subdivision; 256I.05, subdivisions 1a, 1b, 2, and 10; 268.914, subdivision 2; 340A.311; 340A.316; 340A.504, subdivision 3; 349A.10, subdivision 3; 357.021, subdivision 2; 508.82; 508A.82; 518.551, subdivisions 5 and 12; 518.64, subdivisions 1, 2, and 5; 611.27, subdivision 7; and 626.861, subdivisions 1 and 4; Laws 1991, chapters 233, sections 2, subdivision 2; and 3; 254, article 1, sections 7, subdivision 5; and 14, subdivision 19; and 356, articles 1, section 5, subdivision 4; 2, section 6, subdivision 3; and 6, section 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 4A; 16B; 44A; 84; 136C; 137; 144; 144A; 241; 244;

245; 246; 252; 256B; 256I; 290; and 518; repealing Minnesota Statutes 1990, sections 41A.051; 84.0885; 84A.51, subdivisions 3 and 4; 89.036; 136A.143; 136C.13, subdivision 2; 141.21, subdivision 2; 144A.15, subdivision 6; 211A.04, subdivision 2; 245.0311; 245.0312; 246.14; 253B.14; 256B.056, subdivision 3a; 256B.495, subdivision 3; 256I.05, subdivision 7; 270.185; and 609.37; Minnesota Statutes 1991 Supplement, sections 97A.485, subdivision 1a; 256.9657, subdivision 5; 256.969, subdivision 7; 256B.74, subdivisions 8 and 9; and 256I.05, subdivision 7a; Laws 1991, chapter 292, article 4, section 77."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2773, A bill for an act relating to housing and redevelopment authorities; permitting use of general obligation bonds for housing development projects; amending Minnesota Statutes 1990, section 469.034.

Reported the same back with the following amendments:

Page 2, line 9, after the period insert "The authority is the municipality for purposes of chapter 475."

Page 2, delete line 36, and insert "development project providing housing either for the elderly or for individuals and families with incomes not greater than 80 percent of the median family income as estimated by the United States Department of Housing and Urban Development for the standard metropolitan statistical area or the nonmetropolitan county in which the project is located. A qualified housing development project may admit nonelderly individuals and families with higher incomes if:

(1) three years have passed since initial occupancy;

(2) the authority finds the project is experiencing unanticipated vacancies resulting in insufficient revenues, because of changes in population or other unforeseen circumstances that occurred after the initial finding of adequate revenues; and

(3) the authority finds a tax levy or payment from general assets of the general jurisdiction governmental unit will be necessary to pay debt service on the bonds if higher income individuals or families are not admitted."

Page 3, delete lines 1 to 4

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2191, 2219, 2694 and 2773 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1693 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Pelowski introduced:

H. F. No. 3023, A bill for an act proposing an amendment to the Minnesota Constitution, adding a section to article VIII; providing for the recall of elected officials.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Thompson; Solberg; Johnson, R., and Anderson, R., introduced:

H. F. No. 3024, A bill for an act relating to taxation; property; providing for classification of resort property; amending Minnesota Statutes 1990, section 273.13, subdivision 24; Minnesota Statutes 1991 Supplement, section 273.13, subdivisions 22 and 25, as amended.

The bill was read for the first time and referred to the Committee on Taxes.

Limmer, Bettermann, Frederick and Krambeer introduced:

H. F. No. 3025, A bill for an act relating to elections; requiring delegates chosen based on the results of the presidential primary to

support their candidates for at least ten ballots with exceptions; providing for payment by the state of costs of the presidential primary; eliminating requirement that voters declare party choice; amending Minnesota Statutes 1990, section 207A.06, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 207A; repealing Minnesota Statutes 1990, sections 207A.03, subdivision 2; and 207A.08.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Dawkins introduced:

H. F. No. 3026, A bill for an act relating to housing; imposing a gross revenues tax on real estate agents; dedicating the proceeds; establishing a local housing revitalization program; appropriating money; amending Minnesota Statutes 1990, section 462A.202, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 295.

The bill was read for the first time and referred to the Committee on Housing.

HOUSE ADVISORIES

The following House Advisory was introduced:

Dawkins introduced:

H. A. No. 46, A proposal to study residential closing costs and cost containment measures.

The advisory was referred to the Committee on Housing.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 1416, A bill for an act relating to commerce; modifying the regulation of interest rate advertising; amending Minnesota Statutes 1990, section 45.025, subdivisions 1 and 2; repealing Minnesota Statutes 1990, section 45.025, subdivision 7.

H. F. No. 1833, A bill for an act relating to traffic regulations; permitting certain cities to provide for volunteer enforcement of certain regulations; amending Minnesota Statutes 1990, section 169.346, by adding a subdivision.

H. F. No. 2034, A bill for an act relating to health; allowing persons who voluntarily provide assistance at the scene of an accident to obtain test results to determine whether they have been exposed to HIV or hepatitis B; amending Minnesota Statutes 1990, section 144.761, subdivision 5.

H. F. No. 2081, A bill for an act relating to health; modifying provider appeal requirements for medical assistance; amending Minnesota Statutes 1990, section 256B.50, subdivision 1b.

H. F. No. 2572, A bill for an act relating to probate; altering the definition of successors; amending Minnesota Statutes 1990, sections 353A.02, subdivision 21; 524.1-201; 524.3-303; and 524.3-308.

H. F. No. 2683, A bill for an act relating to the city of Nashwauk; authorizing an increase in benefits payable to surviving spouses by the police relief association; repealing a surviving spouse remarriage penalty; amending Laws 1943, chapter 196, section 4, as amended.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 1852, A bill for an act relating to Big Stone, Chippewa, and Kandiyohi counties; permitting each county to consolidate the offices of auditor and treasurer.

H. F. No. 1996, A bill for an act relating to retirement; permitting certain persons to have employer contributions transferred from the teachers retirement association to the individual retirement account plan; amending Laws 1990, chapter 570, article 3, section 11.

H. F. No. 2186, A bill for an act relating to retirement; St. Paul fire department relief association; authorizing the payment of benefits to surviving former spouses of certain members.

H. F. No. 2924, A bill for an act relating to licensure board powers; amending the examination procedure for licensing optometrists; amending Minnesota Statutes 1990, section 148.57, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 2732, A bill for an act relating to public utilities; removing the public service member from the telecommunications access for communication-impaired persons board; amending Minnesota Statutes 1990, section 237.51, subdivisions 2 and 6.

H. F. No. 2792, A bill for an act relating to retirement; providing level benefits for members of the Minneapolis fire department relief association.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1903, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1990, section 124.495; Minnesota Statutes 1991 Supplement, section 124.479; proposing coding for new law in Minnesota Statutes, chapters 124; and 124C.

The Senate has appointed as such committee:

Messrs. Merriam; Vickerman; Johnson, D. E.; Stumpf and Morse.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1948, A bill for an act relating to life insurance; authorizing policies for the benefit of a charity; proposing coding for new law in Minnesota Statutes, chapters 61A; and 309.

The Senate has appointed as such committee:

Messrs. Metzen, Solon and Larson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1827, A bill for an act relating to livestock diseases; modifying requirements for certain tests; providing for adoption of certain rules; amending Minnesota Statutes 1990, sections 35.245, subdivisions 1 and 2; and 35.251; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1990, section 35.245, subdivision 1a.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Dille moved that the House concur in the Senate amendments to H. F. No. 1827 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1827, A bill for an act relating to livestock diseases; modifying requirements for certain tests; amending Minnesota Statutes 1990, sections 35.245, subdivisions 1 and 2; and 35.251; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1990, section 35.245, subdivision 1a.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bodahl	Dille	Hanson	Jaros
Anderson, I.	Boo	Dorn	Hartle	Jefferson
Anderson, R.	Brown	Erhardt	Hasskamp	Jennings
Anderson, R. H.	Carlson	Farrell	Haukoos	Johnson, A.
Battaglia	Carruthers	Frederick	Hausman	Johnson, R.
Bauerly	Clark	Frerichs	Heir	Johnson, V.
Beard	Cooper	Garcia	Henry	Kahn
Begich	Dauner	Girard	Hufnagle	Kalis
Bertram	Davids	Goodno	Hugoson	Kelso
Bishop	Dawkins	Greenfield	Jacobs	Kinkel
Blatz	Dempsey	Gutknecht	Janezich	Knickerbocker

Koppendrayer	Milbert	Osthoff	Schreiber	Uphus
Krambeer	Morrison	Ostrom	Seaberg	Valento
Krinkie	Munger	Ozment	Segal	Vellenga
Krueger	Murphy	Pauly	Simoneau	Wagenius
Lasley	Nelson, K.	Pellow	Skoglund	Waltman
Leppik	Nelson, S.	Pelowski	Smith	Weaver
Lieder	Newinski	Peterson	Solberg	Wejcman
Limmer	O'Connor	Pugh	Sparby	Welker
Lourey	Ogren	Reding	Stanius	Welle
Lynch	Olsen, S.	Rest	Steensma	Wenzel
Macklin	Olson, E.	Rice	Sviggum	Winter
Mariani	Olson, K.	Rodosovich	Swenson	Spk. Long
Marsh	Omann	Rukavina	Thompson	
McEachern	Onnen	Runbeck	Tompkins	
McGuire	Orenstein	Sarna	Trimble	
McPherson	Orfield	Schafer	Tunheim	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2388, A bill for an act relating to local government; regulating certain interests in contracts by public officers; amending Minnesota Statutes 1990, section 471.88, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bodahl moved that the House concur in the Senate amendments to H. F. No. 2388 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2388, A bill for an act relating to local government; regulating certain interests in contracts by public officers; amending Minnesota Statutes 1990, section 471.88, by adding subdivisions.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bertram	Boo	Clark
Anderson, I.	Bauerly	Bishop	Brown	Cooper
Anderson, R.	Beard	Blatz	Carlson	Dauner
Anderson, R. H.	Begich	Bodahl	Carruthers	Davids

Dawkins	Janezich	Macklin	Osthoff	Solberg
Dempsey	Jaros	Mariani	Ostrom	Sparby
Dille	Jefferson	Marsh	Ozment	Stanius
Dorn	Jennings	McEachern	Pauly	Steensma
Erhardt	Johnson, A.	McGuire	Pellow	Sviggum
Farrell	Johnson, R.	McPherson	Pelowski	Swenson
Frederick	Johnson, V.	Milbert	Peterson	Thompson
Frerichs	Kahn	Morrison	Pugh	Tompkins
Garcia	Kalis	Munger	Reding	Trimble
Goodno	Kelso	Murphy	Rest	Tunheim
Greenfield	Kinkel	Nelson, K.	Rice	Uphus
Gutknecht	Knickerbocker	Nelson, S.	Rodosovich	Valento
Hanson	Koppendrayer	Newinski	Rukavina	Vellenga
Hartle	Krambeer	O'Connor	Runbeck	Wagenius
Hasskamp	Krinkie	Ogren	Sarna	Waltman
Haukoos	Krueger	Olsen, S.	Schafer	Weaver
Hausman	Lasley	Olson, E.	Schreiber	Wejcman
Heir	Leppik	Olson, K.	Seaberg	Welker
Henry	Lieder	Omann	Segal	Welle
Hufnagle	Limmer	Onnen	Simoneau	Wenzel
Hugoson	Lourey	Orenstein	Skoglund	Winter
Jacobs	Lynch	Orfield	Smith	Spk. Long

Those who voted in the negative were:

Girard

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1489, A bill for an act relating to cooperatives; regulating regular or special meetings; requiring meetings to be open to members, with certain exceptions; proposing coding for new law in Minnesota Statutes, chapter 308A.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Dawkins moved that the House concur in the Senate amendments to H. F. No. 1489 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1489, A bill for an act relating to cooperatives; applying the open meeting law to certain electric cooperatives; proposing coding for new law in Minnesota Statutes, chapter 308A.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 68 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Battaglia	Hausman	Limmer	Orenstein	Skoglund
Beard	Henry	Lynch	Orfield	Sparby
Blatz	Jacobs	Macklin	Osthoff	Swenson
Boo	Janezich	Mariani	Ostrom	Tompkins
Carlson	Jaros	McGuire	Pugh	Trimble
Carruthers	Jefferson	Milbert	Reding	Tunheim
Clark	Jennings	Morrison	Rest	Vellenga
Dawkins	Johnson, A.	Murphy	Rice	Wagenius
Dorn	Kahn	Nelson, K.	Rodosovich	Weaver
Erhardt	Kelso	Newinski	Rukavina	Wejcman
Farrell	Knickerbocker	O'Connor	Sarna	Welle
Garcia	Krambeer	Ogren	Schreiber	Spk. Long
Greenfield	Lasley	Olsen, S.	Segal	
Hanson	Leppik	Olson, E.	Simoneau	

Those who voted in the negative were:

Abrams	Dempsey	Johnson, R.	Nelson, S.	Solberg
Anderson, I.	Dille	Johnson, V.	Olson, K.	Stanius
Anderson, R.	Frederick	Kalis	Omann	Steensma
Anderson, R. H.	Frerichs	Kinkel	Onnen	Sviggum
Bauerly	Girard	Koppendrayer	Ozment	Thompson
Begich	Goodno	Krinkie	Pauly	Uphus
Bertram	Gutknecht	Krueger	Pellow	Valento
Bishop	Hartle	Lieder	Pelowski	Waltman
Bodahl	Hasskamp	Lourey	Peterson	Welker
Brown	Haukoos	Marsh	Runbeck	Wenzel
Cooper	Heir	McEachern	Schafer	Winter
Dauner	Hufnagle	McPherson	Seaberg	
Davids	Hugoson	Munger	Smith	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2640, A bill for an act relating to occupations and professions; elevators and boilers; providing that boilers used for mint oil extraction are considered to be used for agricultural or horticultural purposes; amending Minnesota Statutes 1991 Supplement, section 183.56.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Uphus moved that the House concur in the Senate amendments to

H. F. No. 2640 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2640, A bill for an act relating to occupations and professions; elevators and boilers; providing that boilers used for mint oil extraction are considered to be used for agricultural or horticultural purposes; amending Minnesota Statutes 1991 Supplement, section 183.56.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Smith
Battaglia	Goodno	Krambeer	Omann	Solberg
Bauerly	Greenfield	Krinkie	Onnen	Sparby
Beard	Gutknecht	Krueger	Orenstein	Stanius
Begich	Hanson	Lasley	Orfield	Steensma
Bertram	Hartle	Leppik	Osthoff	Sviggum
Bishop	Hasskamp	Lieder	Ostrom	Swenson
Blatz	Haukoos	Limmer	Ozment	Thompson
Bodahl	Hausman	Lourey	Pauly	Tompkins
Boo	Heir	Lynch	Pellow	Trimble
Brown	Henry	Macklin	Pelowski	Tunheim
Carlson	Hufnagle	Mariani	Peterson	Uphus
Carruthers	Hugoson	Marsh	Pugh	Valento
Clark	Jacobs	McEachern	Reding	Vellenga
Cooper	Janezich	McGuire	Rest	Wagenius
Dauner	Jaros	McPherson	Rice	Waltman
Davids	Jefferson	Milbert	Rodosovich	Weaver
Dawkins	Jennings	Morrison	Rukavina	Wejcman
Dempsey	Johnson, A.	Munger	Runbeck	Welker
Dille	Johnson, R.	Murphy	Sarna	Welle
Dorn	Johnson, V.	Nelson, K.	Schafer	Wenzel
Erhardt	Kahn	Newinski	Schreiber	Winter
Farrell	Kalis	O'Connor	Seaberg	Spk. Long

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2287, A bill for an act relating to retirement; local police and salaried firefighter relief associations; eliminating eligibility for amortization state aid and supplementary amortization state aid for relief associations and consolidation accounts with no unfunded

actuarial accrued liability; amending Minnesota Statutes 1991 Supplement, section 423A.02.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jefferson moved that the House concur in the Senate amendments to H. F. No. 2287 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2287, A bill for an act relating to retirement; local police and salaried firefighter relief associations; eliminating eligibility for amortization state aid and supplementary amortization state aid for relief associations and consolidation accounts with no unfunded actuarial accrued liability; amending Minnesota Statutes 1991 Supplement, section 423A.02.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, I.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R.	Girard	Krambeer	Omann	Sparby
Anderson, R. H.	Goodno	Krinkie	Onnen	Stanius
Battaglia	Greenfield	Krueger	Orenstein	Steensma
Bauerly	Gutknecht	Lasley	Orfield	Sviggum
Beard	Hanson	Leppik	Osthoff	Swenson
Begich	Hartle	Lieder	Ostrom	Thompson
Bertram	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vellenga
Carlson	Hugoson	McEachern	Reding	Wagenius
Carruthers	Jacobs	McGuire	Rest	Waltman
Clark	Janezich	McPherson	Rice	Weaver
Cooper	Jaros	Milbert	Rodosovich	Wejcman
Dauner	Jefferson	Morrison	Rukavina	Welker
Davids	Jennings	Munger	Runbeck	Welle
Dawkins	Johnson, A.	Murphy	Sarna	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schafer	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Long
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	
Frederick	Kinkel	Olsen, S.	Skoglund	

The bill was repassed, as amended by the Senate, and its title agreed to.

H. F. No. 2142, which was given a third reading as amended by the Senate, together with the Message from the Senate, which were continued on Tuesday, March 31, 1992, were again reported to the House.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2142, A bill for an act relating to employment; leaves of absence; assigning duties to the division of labor standards; modifying provisions relating to school conference leave for employees with children; amending Minnesota Statutes 1990, sections 177.26, subdivision 2; and 181.9412; proposing coding for new law in Minnesota Statutes, chapter 181.

PATRICK E. FLAHAVEN, Secretary of the Senate

REPASSAGE

H. F. No. 2142, A bill for an act relating to employment; leaves of absence; assigning duties to the division of labor standards; modifying provisions relating to school conference leave for employees with children; amending Minnesota Statutes 1990, sections 177.26, subdivision 2; and 181.9412; proposing coding for new law in Minnesota Statutes, chapter 181.

The bill, as amended by the Senate, was placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 87 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Abrams	Hanson	Lieder	Onnen	Segal
Anderson, I.	Hasskamp	Limmer	Orenstein	Simoneau
Battaglia	Hausman	Lourey	Orfield	Skoglund
Bauerly	Henry	Lynch	Osthoff	Solberg
Beard	Jacobs	Macklin	Ostrom	Tompkins
Begich	Janezich	Mariani	Ozment	Trimble
Bishop	Jaros	McEachern	Pauly	Tunheim
Blatz	Jefferson	McGuire	Pelowski	Vellenga
Bodahl	Jennings	Milbert	Pugh	Wagenius
Brown	Johnson, A.	Morrison	Reding	Weaver
Carlson	Johnson, R.	Munger	Rest	Wejcman
Carruthers	Kahn	Murphy	Rice	Welle
Clark	Kelso	Nelson, K.	Rodosovich	Wenzel
Dawkins	Knickerbocker	Newinski	Rukavina	Winter
Erhardt	Krambeer	O'Connor	Runbeck	Spk. Long
Farrell	Krueger	Ogren	Sarna	
Garcia	Lasley	Olsen, S.	Schreiber	
Greenfield	Leppik	Olson, K.	Seaberg	

Those who voted in the negative were:

Anderson, R.	Dorn	Hufnagle	Nelson, S.	Steensma
Anderson, R. H.	Frederick	Hugoson	Olson, E.	Sviggum
Bertram	Frerichs	Johnson, V.	Omann	Swenson
Boo	Girard	Kalis	Pellow	Thompson
Cooper	Goodno	Kinkel	Peterson	Uphus
Dauner	Gutknecht	Koppendrayer	Schafer	Valento
Davids	Hartle	Krinkie	Smith	Waltman
Dempsey	Haukoos	Marsh	Sparby	Welker
Dille	Heir	McPherson	Stanius	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1619, A bill for an act relating to crimes; expanding list of offenses that result in ineligibility for a pistol permit to include all felonies, domestic abuse, and malicious punishment of a child; amending Minnesota Statutes 1990, section 624.713, subdivision 1; and Minnesota Statutes 1991 Supplement, section 624.712, subdivision 5.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Marty, Spear and Knaak.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Bishop moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1619. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2514, A bill for an act relating to the Yellow Medicine county hospital district; providing for hospital board membership and elections; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; and 4.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Frederickson, D. J.; DeCramer and Renneke.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Peterson moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2514. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2233, 2547, 430, 1821, 1935 and 2380.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2233, A bill for an act relating to natural resources; exempting snowmobile testing activities from applicable speed limits under certain conditions; allowing the use of snowmobiles on certain conservation lands unless prohibited by rule of the commissioner of natural resources; allowing towing of persons with personal watercraft equipped with rearview mirrors; amending Minnesota Statutes 1990, sections 84.87, by adding a subdivision; and 84A.55, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 86B.313, subdivision 1.

The bill was read for the first time.

Rukavina moved that S. F. No. 2233 and H. F. No. 2282, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2547, A bill for an act relating to retirement; Minneapolis police relief association; recodifying the local laws applicable to the local relief association; amending Laws 1980, chapter 607, article XV, sections 8, 9, as amended, and 10; Laws 1989, chapter 319,

article 19, sections 6 and 7, subdivisions 1 and 4, as amended; and Laws 1990, chapter 589, article 1, section 6; repealing Minnesota Statutes 1957, sections 423.71; 423.715; 423.72; 423.725; 423.73; 423.735; 423.74; 423.745; 423.75; 423.755; 423.76; 423.765; 423.77; 423.775; Special Laws 1891, chapter 143; Laws 1943, chapter 280; Laws 1949, chapter 406; Laws 1953, chapter 127; Laws 1957, chapters 721 and 939; Laws 1959, chapters 428 and 662; Laws 1961, chapter 532; Laws 1963, chapter 315; Laws 1965, chapters 493, 520, and 534; Laws 1967, chapters 820 and 825; Laws 1969, chapters 258 and 560; Laws 1973, chapters 272 and 309; Laws 1975, chapter 428; Laws 1980, chapter 607, article XV, section 21; Laws 1983, chapter 88; Laws 1987, chapters 322, sections 2, 3, 4, 5, 6, 7, and 8; and 372, article 2, sections 2, 3, 4, 6, and 15; Laws 1988, chapters 572, sections 3, 5, and 6; and 574, sections 2, 4, and 5; Laws 1990, chapter 589, article 1, section 4; and Laws 1991, chapter 90.

The bill was read for the first time.

Sarna moved that S. F. No. 2547 and H. F. No. 2784, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 430, A bill for an act relating to retirement; police state aid program; requiring payments equivalent to automobile insurance premium taxes by self-insurers; amending Minnesota Statutes 1991 Supplement, section 69.021, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 60A.

The bill was read for the first time and referred to the Committee on Taxes.

S. F. No. 1821, A bill for an act relating to children; changing certain provisions for placement of children; establishing a general preference for adoption by relatives; requiring continued study of out-of-home dispositions; amending Minnesota Statutes 1990, sections 257.025; 257.071, subdivision 1; 257.072, subdivision 7; 259.255; 259.28, subdivision 2; 259.455; 260.181, subdivision 3; and 518.17, subdivision 1.

The bill was read for the first time.

Jefferson moved that S. F. No. 1821 and H. F. No. 1941, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1935, A bill for an act relating to retirement; making changes in laws governing the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 422A.12, subdi-

vision 2; 422A.14, subdivision 1; and 422A.23, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 422A.101, subdivision 1; and 422A.17; repealing Minnesota Statutes 1990, section 422A.14, subdivision 2.

The bill was read for the first time.

Jefferson moved that S. F. No. 1935 and H. F. No. 2028, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2380, A bill for an act relating to the legislature; requiring committees and commissions of the legislature to consider the effect of proposed legislation on the state's science and technology policy; proposing coding for new law in Minnesota Statutes, chapter 3.

The bill was read for the first time.

Simoneau moved that S. F. No. 2380 and H. F. No. 2189, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming reported on the following appointment which had been referred to the committee by Speaker Vanasek:

ETHICAL PRACTICES BOARD

EMILY ANNE STAPLES

Reported the same back with the recommendation that the appointment be confirmed.

Osthoff moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appointment of Emily Anne Staples to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Osthoff moved that the House, having advised, do now consent to and confirm the appointment of Emily Anne Staples, 1640 Xanthus Lane, Plymouth, county of Hennepin, effective April 30, 1991, for a four-year term expiring on the first Monday in January, 1995. The motion prevailed and the appointment of Emily Anne Staples was confirmed by the House.

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming reported on the following appointment which had been referred to the committee by Speaker Long:

ETHICAL PRACTICES BOARD

DOUGLAS H. SILLERS

Reported the same back with the recommendation that the appointment be confirmed.

Osthoff moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appointment of Douglas H. Sillers to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Osthoff moved that the House, having advised, do now consent to and confirm the appointment of Douglas H. Sillers, Route 2, Box 180, Moorhead, county of Clay, effective January 7, 1992, for a four-year term expiring on the first Monday in January, 1996. The motion prevailed and the appointment of Douglas H. Sillers was confirmed by the House.

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming reported on the following appointment which had been referred to the committee by Speaker Long:

ETHICAL PRACTICES BOARD

BRUCE WILLIS

Reported the same back with the recommendation that the appointment be confirmed.

Osthoff moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appointment of Bruce Willis to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Osthoff moved that the House, having advised, do now consent to and confirm the appointment of Bruce Willis, 2940 Walnut Grove Lane, Plymouth, county of Hennepin, effective January 7, 1992, for a four-year term expiring on the first Monday in January, 1996. The motion prevailed and the appointment of Bruce Willis was confirmed by the House.

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming reported on the following appointment which had been referred to the committee by Speaker Vanasek:

ETHICAL PRACTICES BOARD

ELSA CARPENTER

Reported the same back with the recommendation that the appointment be confirmed.

Osthoff moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appointment of Elsa Carpenter to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Osthoff moved that the House, having advised, do now consent to and confirm the appointment of Elsa Carpenter, 4724 Emerson Avenue South, Minneapolis, county of Hennepin, effective April 30, 1991, for a four-year term expiring on the first Monday in January, 1995. The motion prevailed and the appointment of Elsa Carpenter was confirmed by the House.

Welle moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

CONSENT CALENDAR

S. F. No. 2028, A bill for an act relating to agriculture; changing requirements for pesticide registration applications; amending Minnesota Statutes 1990, section 18B.26, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, I.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R.	Girard	Krambeer	Omann	Sparby
Anderson, R. H.	Goodno	Krinkie	Onnen	Stanius
Battaglia	Greenfield	Krueger	Orenstein	Steensma
Bauerly	Gutknecht	Lasley	Orfield	Sviggum
Beard	Hanson	Leppik	Osthoff	Swenson
Begich	Hartle	Lieder	Ostrom	Thompson
Bertram	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vellenga
Carlson	Hugoson	McEachern	Reding	Wagenius
Carruthers	Jacobs	McGuire	Rest	Waltman
Clark	Janezich	McPherson	Rice	Weaver
Cooper	Jaros	Milbert	Rodosovich	Wejcman
Dauner	Jefferson	Morrison	Rukavina	Welker
Davids	Jennings	Munger	Runbeck	Welle
Dawkins	Johnson, A.	Murphy	Sarna	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schafer	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Long
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	
Frederick	Kinkel	Olsen, S.	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 2623, A bill for an act relating to the Mississippi river headwaters area; updating and changing provisions relating to activities of the Mississippi headwaters board; amending Minnesota

Statutes 1990, sections 103F.361, subdivision 2; 103F.363, subdivision 2; 103F.365, by adding a subdivision; 103F.367, subdivision 6; 103F.369, subdivisions 1 and 4; 103F.371; 103F.373, subdivisions 1 and 2; 103F.375, subdivision 1; and 103F.377; Minnesota Statutes 1991 Supplement, section 103F.369, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, I.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R.	Girard	Krambeer	Omann	Sparby
Anderson, R. H.	Goodno	Krinkie	Onnen	Stanius
Battaglia	Greenfield	Krueger	Orenstein	Steensma
Bauerly	Gutknecht	Lasley	Orfield	Sviggum
Beard	Hanson	Leppik	Osthoff	Swenson
Begich	Hartle	Lieder	Ostrom	Thompson
Bertram	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vellenga
Carlson	Hugoson	McEachern	Reding	Wagenius
Carruthers	Jacobs	McGuire	Rest	Waltman
Clark	Janezich	McPherson	Rice	Weaver
Cooper	Jaros	Milbert	Rodosovich	Wejcman
Dauner	Jefferson	Morrison	Rukavina	Welker
Davids	Jennings	Munger	Runbeck	Welle
Dawkins	Johnson, A.	Murphy	Sarna	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schafer	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Long
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	
Frederick	Kinkel	Olsen, S.	Skoglund	

The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. No. 2121.

H. F. No. 2121 was reported to the House.

Nelson, K., and Kelso moved to amend H. F. No. 2121, the third engrossment, as follows:

Page 3, line 20, after "to" insert "article 6, sections 7 and 10,"

Page 8, after line 2, insert:

"Sec. 7. Minnesota Statutes 1991 Supplement, section 124.195, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) The term "other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 124.09, apportionments by the county auditor pursuant to section 124.10, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to chapter 298.

(b) The term "cumulative amount guaranteed" means the sum of the following:

(1) one-third of the final adjustment payment according to subdivision 6; plus

(2) the product of

(i) the cumulative disbursement percentage shown in subdivision 3; times

(ii) the sum of

85 percent of the estimated aid and credit entitlements paid according to subdivision 10; plus

100 percent of the entitlements paid according to subdivisions 8 and 9; plus

the other district receipts; plus

the final adjustment payment according to subdivision 6.

(c) The term "payment date" means the date on which state payments to school districts are made by the electronic funds transfer method. If a payment date falls on a Saturday, ~~the payment shall be made on the immediately preceding business day. If a payment date falls on~~ a Sunday, ~~the payment shall be made on the immediately following business day. If a payment date falls on~~ or a weekday which is a legal holiday, the payment shall be made on the immediately ~~preceding~~ following business day. The commissioner of education may make payments on dates other than those listed in subdivision 3, but only for portions of payments from any preceding payment dates which could not be processed by the electronic funds transfer method due to documented extenuating circumstances."

Page 10, line 1, strike "or"

Page 10, line 2, after "(2)" insert "the district's referendum allowance for fiscal year 1993; (3)"

Page 10, line 3, after "year" insert "; or (4) for a district that held a successful referendum levy election in calendar year 1991, 35 percent of the formula allowance for that fiscal year"

Page 22, after line 12, insert ", between schools within a district, or between schools in one or more districts that have an agreement under sections 122.241 to 122.248, 122.535, 122.541, or 124.494,"

Page 128, line 2, delete "1" and insert "4"

Renumber subsequent sections

Correct internal cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Nelson, K., moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 33, line 21, delete "and medical assistance services under"

Page 33, line 22, delete "chapter 256B"

Page 33, line 24, after the period, insert "Disputes regarding medical assistance services under chapter 256B are subject to the procedural safeguards under section 256.045."

Page 105, line 2, after "fund" insert "other than the community service fund"

Page 114, line 34, delete "applying for an"

Page 114, delete lines 35 and 36

Page 115, line 1, delete "programs"

Page 115, line 4, delete "of teaching" and insert "if that person seeks to qualify for an initial teaching license to provide direct instruction to pupils in kindergarten, elementary, secondary or special education programs"

The motion prevailed and the amendment was adopted.

Kelso moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 40, delete lines 34 to 36

Page 41, delete lines 1 to 9

Page 45, delete lines 34 to 36

Page 46, delete lines 1 to 6; delete lines 14 to 16; line 18, delete "(a)"; delete lines 20 to 30

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Bauerly moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 73, after line 20, insert:

"Sec. 2. Minnesota Statutes 1991 Supplement, section 121.932, subdivision 5, is amended to read:

Subd. 5. [ESSENTIAL DATA.] The department shall maintain a list of essential data elements which must be recorded and stored about each pupil, licensed and nonlicensed staff member, and educational program. Each school district shall send the essential data to the ESV regional computer center to which it belongs, ~~or~~ where it shall be edited and transmitted to the department in the form and format prescribed by the department."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Brown moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 59, line 27, delete everything after "(2)"

Page 59, line 28, delete "applicant" and insert "the group of districts that make up the Grant county project, if that group has submitted an application and if that application has been approved"

The motion prevailed and the amendment was adopted.

McEachern moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 127, line 35, before "Minnesota" insert "Minnesota Statutes 1991 Supplement, sections 120.064 and 124.248 and"; delete "is" and insert "are"

Page 128, after line 8, insert:

"That portion of section 35 repealing Minnesota Statutes 1991 Supplement, sections 120.064 and 124.248 is effective the day after final enactment. Any contract for an outcome-based school authorized by a sponsor and approved by the state board of education prior to the effective date of that portion of section 35 that repeals Minnesota Statutes 1991 Supplement, sections 120.064 and 124.248 may continue in effect for the term of the contract, but must terminate at the end of the contract term or three years, whichever comes first."

A roll call was requested and properly seconded.

The question was taken on the McEachern amendment and the roll was called. There were 60 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Davids	Jennings	Murphy	Rukavina
Anderson, R.	Dorn	Johnson, A.	O'Connor	Sarna
Anderson, R. H.	Farrell	Johnson, R.	Olson, E.	Solberg
Battaglia	Garcia	Kalis	Orfield	Sparby
Bauerly	Goodno	Kinkel	Osthoff	Swenson
Beard	Hanson	Krinkie	Pelowski	Thompson
Begich	Hartle	Krueger	Peterson	Trimble
Bodahl	Heir	Lasley	Pugh	Tunheim
Brown	Jacobs	Lieder	Reding	Wejcman
Carlson	Janezich	McEachern	Rest	Welle
Clark	Jaros	Milbert	Rice	Wenzel
Cooper	Jefferson	Munger	Rodosovich	Spk. Long

Those who voted in the negative were:

Abrams	Gutknecht	Limmer	Olson, K.	Smith
Bertram	Hasskamp	Lourey	Omann	Stanius
Bishop	Haukoos	Lynch	Onnen	Steensma
Blatz	Hausman	Macklin	Orenstein	Sviggum
Boo	Henry	Mariani	Ostrom	Tompkins
Carruthers	Hufnagle	Marsh	Pauly	Uphus
Dauner	Hugoson	McGuire	Pellow	Valento
Dawkins	Johnson, V.	McPherson	Runbeck	Vellenga
Dempsey	Kahn	Morrison	Schafer	Wagenius
Dille	Kelso	Nelson, K.	Schreiber	Waltman
Erhardt	Knickerbocker	Nelson, S.	Seaberg	Weaver
Frederick	Koppendrayer	Newinski	Segal	Welker
Frerichs	Krambeer	Ogren	Simoneau	Winter
Girard	Leppik	Olsen, S.	Skoglund	

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

Lynch, Bishop and Nelson, K., moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 45, line 24, strike "August" and insert "July"

A roll call was requested and properly seconded.

The question was taken on the Lynch et al amendment and the roll was called. There were 125 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	O'Connor	Simoneau
Anderson, I.	Frerichs	Kinkel	Ogren	Skoglund
Anderson, R. H.	Garcia	Knickerbocker	Olsen, S.	Smith
Battaglia	Girard	Koppendrayer	Olson, E.	Solberg
Bauerly	Goodno	Krambeer	Omann	Sparby
Beard	Greenfield	Krinkie	Onnen	Stanius
Begich	Gutknecht	Krueger	Orenstein	Steensma
Bertram	Hanson	Leppik	Orfield	Sviggum
Bishop	Hartle	Lieder	Osthoff	Swenson
Blatz	Hasskamp	Limmer	Ostrom	Thompson
Bodahl	Haukoos	Lourey	Ozment	Tompkins
Boo	Hausman	Lynch	Pauly	Trimble
Brown	Heir	Macklin	Pellow	Tunheim
Carlson	Henry	Mariani	Peterson	Uphus
Carruthers	Hufnagle	Marsh	Pugh	Valento
Clark	Hugoson	McEachern	Reding	Vellenga
Cooper	Jacobs	McGuire	Rest	Wagenius
Dauner	Janezich	McPherson	Rice	Waltman
Davids	Jaros	Milbert	Rodosovich	Weaver
Dawkins	Jefferson	Morrison	Rukavina	Wejcman
Dempsey	Johnson, A.	Munger	Runbeck	Welker
Dille	Johnson, R.	Murphy	Schafer	Welle
Dorn	Johnson, V.	Nelson, K.	Schreiber	Wenzel
Erhardt	Kahn	Nelson, S.	Seaberg	Winter
Farrell	Kalis	Newinski	Segal	Spk. Long

Those who voted in the negative were:

Anderson, R. Jennings Lasley

The motion prevailed and the amendment was adopted.

Welle and Omann moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 57, after line 3, insert:

"Sec. 5. Minnesota Statutes 1991 Supplement, section 124.479, is amended to read:

124.479 [BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS, 1991.]

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of $45,065,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

~~No bonds may be sold or issued under this section until all bonds authorized by Laws 1990, chapter 610, sections 2 to 7, are sold and issued and the authorized project contracts have been initiated or abandoned.~~"

Page 72, line 34, after "enactment." insert "Laws 1990, chapter 610, article 1, section 7, subdivision 4, is repealed the day following final enactment."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Kinkel and Sarna moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 63, line 1, delete "greater" and insert "less"

Page 63, delete lines 9 to 14

Page 66, delete the new language on lines 11 to 16 and insert "Prior to July 1, 1996, a proposed fine assessed against a district shall be waived if the district has not received an audit under section 124.83, subdivision 9. However, under no circumstances shall a fine be waived if a fatality has occurred or if the requirements set forth in an abatement process are not complied with within a reasonable period of time. On or after July 1, 1996 all authority to assess a fine shall revert to the commissioner."

Page 66, delete lines 17 to 33

Page 70, line 30, delete "This amount"

Page 70, delete line 31

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Pauly moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 107, delete lines 5 to 30

Page 128, delete line 2

Renumber sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Pauly amendment and the roll was called. There were 61 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krambeer	Onnen	Stanius
Anderson, R.	Goodno	Krinkie	Ostrom	Swenson
Anderson, R. H.	Hartle	Leppik	Ozment	Tompkins
Bishop	Haukoos	Limmer	Pauly	Uphus
Blatz	Heir	Lynch	Pellow	Valento
Boo	Henry	Macklin	Pelowski	Vellenga
Carruthers	Hufnagle	Marsh	Runbeck	Weaver
Davids	Hugoson	McPherson	Schafer	Welker
Dempsey	Jacobs	Morrison	Schreiber	Wenzel
Dille	Johnson, V.	Nelson, S.	Seaberg	
Erhardt	Kelso	Newinski	Skoglund	
Frederick	Knickerbocker	Olsen, S.	Smith	
Frerichs	Koppendrayer	Omann	Solberg	

Those who voted in the negative were:

Anderson, I.	Farrell	Krueger	Olson, K.	Sparby
Battaglia	Garcia	Lasley	Orenstein	Steensma
Bauerly	Greenfield	Lieder	Orfield	Sviggum
Beard	Gutknecht	Lourey	Osthoff	Thompson
Begich	Hanson	Mariani	Peterson	Trimble
Bertram	Hasskamp	McEachern	Pugh	Tunheim
Bodahl	Hausman	McGuire	Reding	Wagenius
Brown	Janezich	Milbert	Rest	Waltman
Carlson	Johnson, A.	Munger	Rice	Wejcman
Cooper	Johnson, R.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	O'Connor	Sarna	Winter
Dawkins	Kalis	Ogren	Segal	Spk. Long
Dorn	Kinkel	Olson, E.	Simoneau	

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

Waltman moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 122, after line 3, insert:

"Sec. 20. [126.116] [NO MANDATES WITHOUT MONEY.]

A school district is not required to comply with a state mandate, as defined in section 3.881 if the mandate affects the daily operation of schools, the authority of school boards to establish locally developed education policies, changes in the school district's curriculum, or other changes in the school district's spending priorities until the additional revenue needed to pay for the mandate is identified."

Page 128, line 4, after the period insert:

"Section 20 is effective September 1, 1992, to apply to new or increased state mandates that are effective after August 31, 1992."

Renumber sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Waltman amendment and the roll was called. There were 57 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Krambeer	Omann	Sviggum
Anderson, R. H.	Gutknecht	Krinkie	Onnen	Swenson
Blatz	Hartle	Limmer	Ozment	Tompkins
Boo	Haukoos	Lynch	Pauly	Uphus
Davids	Heir	Macklin	Pellow	Valento
Dempsey	Henry	Marsh	Pelowski	Waltman
Dille	Hufnagle	McPherson	Runbeck	Weaver
Erhardt	Hugoson	Morrison	Schafer	Welker
Frederick	Jennings	Nelson, S.	Seaberg	Winter
Frerichs	Johnson, V.	Newinski	Smith	
Girard	Knickerbocker	Olsen, S.	Stanius	
Goodno	Koppendrayer	Olson, K.	Steensma	

Those who voted in the negative were:

Anderson, I.	Dawkins	Kelso	Olson, E.	Skoglund
Anderson, R.	Dorn	Kinkel	Orenstein	Solberg
Battaglia	Farrell	Krueger	Orfield	Sparby
Bauerly	Garcia	Lasley	Osthoff	Thompson
Beard	Hanson	Lieder	Ostrom	Trimble
Begich	Hasskamp	Lourey	Peterson	Tunheim
Bertram	Hausman	Mariani	Pugh	Vellenga
Bishop	Jacobs	McEachern	Reding	Wagenius
Bodahl	Janezich	McGuire	Rest	Wejcman
Brown	Jaros	Milbert	Rice	Welle
Carlson	Jefferson	Munger	Rodosovich	Wenzel
Carruthers	Johnson, A.	Murphy	Rukavina	Spk. Long
Clark	Johnson, R.	Nelson, K.	Sarna	
Cooper	Kahn	O'Connor	Segal	
Dauner	Kalis	Ogren	Simoneau	

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

Nelson, K., moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 122, after line 3, insert:

"Sec. 20. Minnesota Statutes 1991 Supplement, section 126.12, subdivision 1, is amended to read:

Subdivision 1. Except for learning programs during summer, flexible learning year programs authorized under sections 120.59 to 120.67, and learning year programs under section 121.585, a school district ~~shall not commence~~ that commences an elementary or secondary school year prior to Labor Day may not hold school the Friday before or the Tuesday after Labor Day. ~~Days which are devoted to teachers' workshops may be held before Labor Day.~~ Districts that enter into cooperative agreements are encouraged to adopt similar school calendars."

Page 128, line 4, after the period insert "Section 20 is effective the day following final enactment and, notwithstanding Minnesota Statutes, section 126.12, subdivision 2, applies to the 1992-1993 school year as well as subsequent school years."

Renumber sections in sequence

Correct internal references

Amend the title accordingly

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

The Speaker called Rodosovich to the Chair.

Valento moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 68, after line 5, insert:

"(g) Before applying for levy authority under this subdivision, a school board must hold a public meeting on the proposed application for levy authority. Notice of the meeting must be posted in the administrative office of the school district and must be published twice during the 14 days before the meeting in the official newspaper of the district.

(h) A levy application tentatively approved by the board under this subdivision becomes finally authorized unless a petition signed by more than 15 percent of the registered voters of the school district is filed with the school board within 30 days of the board's action. The percentage is to be determined with reference to the number of registered voters in the school district on the last day before the petition is filed with the school board. The petition must call for a referendum on the question of whether the district may levy under this subdivision. The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision."

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

Stanius was excused between the hours of 6:00 p.m. and 8:30 p.m.

Krueger, Kahn, Abrams and Bishop moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 99, line 13, delete "sections 121.935, subdivisions 7 and 8; and" and insert "section"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Krueger et al amendment and the roll was called. There were 69 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Kinkel	Osthoff	Steensma
Anderson, R.	Farrell	Knickerbocker	Pauly	Sviggum
Anderson, R. H.	Frederick	Koppendrayer	Pellow	Thompson
Bertram	Frerichs	Krinkie	Pelowski	Tompkins
Bishop	Girard	Krueger	Peterson	Trimble
Blatz	Goodno	Lynch	Pugh	Uphus
Brown	Hartle	Marsh	Reding	Valento
Carlson	Hasskamp	McGuire	Rest	Wagenius
Carruthers	Haukoos	McPherson	Runbeck	Waltman
Clark	Henry	Morrison	Seaberg	Wejcman
Cooper	Hufnagle	Nelson, S.	Segal	Welker
Dauner	Hugoson	Newinski	Smith	Wenzel
Davids	Johnson, V.	Omann	Solberg	Spk. Long
Dorn	Kahn	Orfield	Sparby	

Those who voted in the negative were:

Anderson, I.	Hausman	Lasley	Ogren	Schafer
Battaglia	Heir	Leppik	Olsen, S.	Schreiber
Bauerly	Jacobs	Lieder	Olson, E.	Simoneau
Beard	Janezich	Limmer	Olson, K.	Skoglund
Begich	Jaros	Lourey	Onnen	Swenson
Bodahl	Jefferson	Mariani	Orenstein	Tunheim
Boo	Jennings	McEachern	Ostrom	Vellenga
Dawkins	Johnson, A.	Milbert	Ozment	Weaver
Dempsey	Johnson, R.	Munger	Rice	Welle
Dille	Kalis	Murphy	Rodosovich	Winter
Garcia	Kelso	Nelson, K.	Rukavina	
Hanson	Krambeer	O'Connor	Sarna	

The motion prevailed and the amendment was adopted.

Krueger moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 99, after line 17, insert:

"Subd. 4. [JULY 1, 1993.] Notwithstanding section 29, Minnesota Statutes 1990, section 121.935, subdivision 5, is repealed July 1, 1993."

Page 99, after line 23, insert:

"Notwithstanding section 29, Laws 1991 chapter 265, article 6, section 4 is effective July 1, 1993."

Page 154, after line 22 insert:

"Section 2 is effective July 1, 1993."

Page 154, line 23, delete "Sections 2 and 7 are" and insert "Section 7 is"

A roll call was requested and properly seconded.

The question was taken on the Krueger amendment and the roll was called. There were 27 yeas and 100 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Krueger	Smith	Welker
Anderson, R.	Hugoson	Newinski	Sviggum	Wenzel
Bertram	Kahn	Omann	Thompson	Spk. Long
Clark	Kinkel	Peterson	Tompkins	
Frerichs	Knickerbocker	Rest	Wagenius	
Girard	Krinkie	Segal	Wejcman	

Those who voted in the negative were:

Anderson, I.	Dauner	Hasskamp	Johnson, V.	Marsh
Anderson, R. H.	Davids	Haukoos	Kalis	McEachern
Battaglia	Dawkins	Hausman	Kelso	McGuire
Bauerly	Dempsey	Heir	Koppendrayer	McPherson
Beard	Dille	Henry	Krambeer	Milbert
Begich	Dorn	Hufnagle	Lasley	Morrison
Blatz	Erhardt	Jacobs	Leppik	Munger
Bodahl	Farrell	Janezich	Lieder	Murphy
Boo	Frederick	Jaros	Limmer	Nelson, K.
Brown	Garcia	Jefferson	Lourey	Nelson, S.
Carlson	Gutknecht	Jennings	Lynch	O'Connor
Carruthers	Hanson	Johnson, A.	Macklin	Ogren
Cooper	Hartle	Johnson, R.	Mariani	Olsen, S.

Olson, E.	Ozment	Rodosovich	Simoneau	Tunheim
Olson, K.	Pauly	Rukavina	Skoglund	Uphus
Onnen	Pellow	Runbeck	Solberg	Vellenga
Orenstein	Pelowski	Sarna	Sparby	Waltman
Orfield	Pugh	Schafer	Steensma	Weaver
Osthoff	Reding	Schreiber	Swenson	Welle
Ostrom	Rice	Seaberg	Trimble	Winter

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

Dempsey moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 115, after line 4, insert "(c) The board shall require a person applying for an initial teaching license and a person applying for the renewal of a continuing license to successfully complete an examination of licensure-specific knowledge and teaching skills."

Page 115, line 5, delete "(c)" and insert "(d)"

Page 115, line 12, delete "(d)" and insert "(e)"

Page 127, after line 33, insert:

"Sec. 35. [EXAMINATION OF TEACHER SKILLS.]

Notwithstanding any law to the contrary, a teacher, as defined in Minnesota Statutes, section 125.03, subdivision 1, who received an initial teaching license before April 4, 1988, who did not successfully complete the examination of skills in reading, writing, and mathematics required under Minnesota Statutes 1990, section 125.05, subdivision 1, and who currently holds a valid continuing license must successfully complete the skills examination before next applying to renew the teacher's continuing license. Any teacher subject to this section must provide the appropriate licensing board with official evidence of having successfully completed the skills examination when next applying to renew the teacher's continuing license."

Page 128, line 4, after the period insert "Section 11, clause (c), is effective June 1, 1994."

Page 128, line 8, after the period insert "Section 35 is effective June 1, 1993."

Renumber sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Dempsey amendment and the roll was called. There were 18 yeas and 108 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Frerichs	Koppendrayer	Schafer	Uphus
Boo	Gutknecht	Marsh	Schreiber	Welker
Dempsey	Haukoos	McPherson	Sviggum	
Frederick	Heir	Runbeck	Tompkins	

Those who voted in the negative were:

Abrams	Garcia	Knickerbocker	Olsen, S.	Segal
Anderson, I.	Girard	Krambeer	Olson, E.	Simoneau
Anderson, R.	Goodno	Krinkie	Olson, K.	Skoglund
Battaglia	Hanson	Krueger	Omann	Smith
Bauerly	Hartle	Lasley	Onnen	Solberg
Beard	Hasskamp	Leppik	Orenstein	Sparby
Begich	Hausman	Lieder	Orfield	Steensma
Bertram	Henry	Limmer	Osthoff	Swenson
Blatz	Hufnagle	Lourey	Ostrom	Thompson
Bodahl	Hugoson	Lynch	Ozment	Trimble
Brown	Jacobs	Macklin	Pauly	Tunheim
Carlson	Janezich	Mariani	Pellow	Valento
Carruthers	Jaros	McGuire	Pelowski	Vellenga
Clark	Jefferson	Milbert	Peterson	Wagenius
Cooper	Jennings	Morrison	Pugh	Waltman
Dauner	Johnson, A.	Munger	Reding	Weaver
Davids	Johnson, R.	Murphy	Rest	Wejcman
Dawkins	Johnson, V.	Nelson, K.	Rice	Welle
Dille	Kahn	Nelson, S.	Rodosovich	Wenzel
Dorn	Kalis	Newinski	Rukavina	Spk. Long
Erhardt	Kelso	O'Connor	Sarna	
Farrell	Kinkel	Ogren	Seaberg	

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

H. F. No. 2121, A bill for an act relating to education; providing for general education and related revenue, transportation, special programs, other aids, levies, and programs; appropriating money; amending Minnesota Statutes 1990, sections 120.101, subdivision 5; 120.102, subdivision 1; 120.17, subdivisions 3a, 8a, 12, 14, 16, and by adding subdivisions; 121.148, subdivision 3; 121.11, by adding a subdivision; 121.16, subdivision 1; 121.935, by adding subdivisions; 122.22, by adding a subdivision; 122.23, subdivisions 13, 16, and by adding a subdivision; 122.247, subdivision 1; 122.531, subdivisions 1a, 2, 2a, 2b, and 2c; 122.532, subdivision 2; 123.35, by adding a subdivision; 123.3514, subdivisions 6, as amended, as reenacted, 6b, as amended, as reenacted, and by adding a subdivision; 123.39, subdivision 8d; 123.58, by adding a subdivision; 123.744, as amended, as reenacted; 124.243, subdivision 2, and by adding a subdivision; 124.2725, subdivision 13; 124.331, subdivisions 1 and 3; 124.431, by adding a subdivision; 124.493, subdivision 1; 124.494,

subdivisions 2, 4, and 5; 124.73, subdivision 1; 124.83, subdivisions 2, 6, and by adding subdivisions; 124.85, subdivision 4; 124A.22, subdivision 2a, and by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2, and by adding a subdivision; 124C.07; 124C.08, subdivision 2; 124C.09; 124C.61; 125.05, subdivisions 1, 7, and by adding subdivisions; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 126.12, subdivision 2; 126.22, by adding a subdivision; 127.46; 128A.09, subdivision 2, and by adding a subdivision; 128C.01, subdivision 4; 128C.02, by adding a subdivision; 134.34, subdivision 1, and by adding a subdivision; 136C.69, subdivision 3; 136D.75; 182.666, subdivision 6; 275.125, subdivision 10, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 120.062, subdivision 8a; 120.064, subdivision 4; 120.17, subdivisions 3b, 7a, and 11a; 120.181; 121.585, subdivision 3; 121.831; 121.904, subdivisions 4a and 4e; 121.912, subdivision 6; 121.932, subdivisions 2 and 5; 121.935, subdivisions 1 and 6; 122.22, subdivision 9; 122.23, subdivision 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.531, subdivision 4a; 123.3514, subdivisions 4 and 11; 123.702, subdivisions 1, 1a, and 1b; 124.155, subdivision 2; 124.19, subdivisions 1, 1b, and 7; 124.195, subdivision 2; 124.214, subdivisions 2 and 3; 124.2601, subdivision 6; 124.2721, subdivision 3b; 124.2727, subdivision 6, and by adding subdivisions; 124.479; 124.493, subdivision 3; 124.646, subdivision 4; 124.83, subdivision 1; 124.95, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 124A.03, subdivisions 1c, 2, 2a, and by adding a subdivision; 124A.23, subdivisions 1 and 4; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 125.185, subdivisions 4 and 4a; 125.62, subdivision 6; 126.70; 135A.03, subdivision 3a; 136D.22, subdivision 3; 136D.71, subdivision 2; 136D.76, subdivision 2; 136D.82, subdivision 3; 245A.03, subdivision 2; 275.065, subdivision 1; 275.125, subdivisions 6j and 11g; 364.09; and 373.42, subdivision 2; Laws 1990, chapter 366, section 1, subdivision 2; Laws 1991, chapter 265, articles 3, section 39, subdivision 16; 4, section 30, subdivision 11; 5, sections 18, 23, and 24, subdivision 4; 6, sections 64, subdivision 6, 67, subdivision 3, and 68; 7, sections 37, subdivision 6, 41, subdivision 4, and 44; 8, sections 14 and 19, subdivision 6; and 9, sections 75 and 76; proposing coding for new law in Minnesota Statutes, chapters 123; 124; 124C; and 135A; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 122.23, subdivisions 16a and 16b; 124.274; 125.03, subdivision 5; 128A.022, subdivision 5; 134.34, subdivision 2; 136D.74, subdivision 3; 136D.76, and subdivision 3; Minnesota Statutes 1991 Supplement, sections 121.935, subdivisions 7 and 8; 123.35, subdivision 19; 124.2721, subdivisions 5a and 5b; 124.2727, subdivisions 1, 2, 3, 4, and 5; and 136D.90, subdivision 2; Laws 1990, chapters 562, article 12; 604, article 8, section 12; and 610, article 1, section 7, subdivision 4; and Laws 1991, chapter 265, article 9, section 73.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Koppendrayer	Olson, K.	Skoglund
Anderson, R.	Girard	Krambeer	Omann	Smith
Anderson, R. H.	Goodno	Krinkie	Onnen	Solberg
Battaglia	Greenfield	Krueger	Orenstein	Sparby
Bauerly	Gutknecht	Lasley	Orfield	Steensma
Beard	Hanson	Leppik	Osthoff	Sviggum
Begich	Hartle	Lieder	Ostrom	Swenson
Bertram	Hasskamp	Limmer	Ozment	Thompson
Bishop	Haukoos	Lourey	Pauly	Tompkins
Blatz	Hausman	Lynch	Pellow	Trimble
Bodahl	Heir	Macklin	Pelowski	Tunheim
Boo	Hufnagle	Mariani	Peterson	Uphus
Brown	Hugoson	Marsh	Pugh	Valento
Carlson	Jacobs	McEachern	Reding	Vellenga
Carruthers	Janezich	McGuire	Rest	Wagenius
Clark	Jaros	McPherson	Rice	Waltman
Cooper	Jefferson	Milbert	Rodosovich	Weaver
Davids	Jennings	Morrison	Rukavina	Wejcman
Dawkins	Johnson, A.	Munger	Runbeck	Welker
Dempsey	Johnson, R.	Murphy	Sarna	Welle
Dille	Johnson, V.	Nelson, K.	Schafer	Wenzel
Dorn	Kahn	Newinski	Schreiber	Winter
Farrell	Kalis	O'Connor	Seaberg	Spk. Long
Frederick	Kelso	Ogren	Segal	
Frerichs	Kinkel	Olson, E.	Simoneau	

Those who voted in the negative were:

Abrams	Erhardt	Knickerbocker	Olsen, S.
Dauner	Henry	Nelson, S.	

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Ogren requested immediate consideration of H. F. No. 2940.

H. F. No. 2940 was reported to the House.

Ogren, Rest and Schreiber moved to amend H. F. No. 2940, the first engrossment, as follows:

Page 9, line 14, delete "CORRECTIONS" and insert "CRIMINAL JUSTICE"

Page 9, line 15, delete "corrections" and insert "criminal justice"

Page 9, line 29, delete "corrections" and insert "criminal justice"

Page 10, after line 1, insert:

"Subd. 4. [HOST COUNTY REIMBURSEMENTS.] Each calendar year, four percent of the total appropriation for this section shall be retained by the commissioner of revenue to make reimbursements to counties serving as host counties under section 611.27, subdivision 2. The reimbursements shall be to defray the additional costs associated with serving as a host county. Counties may apply for reimbursement on a form prescribed by the commissioner. Any retained amounts not used for reimbursement in a year shall be carried over and distributed as additional county criminal justice aid in the following year."

Page 10, line 2, delete "4" and insert "5"

Page 13, line 11, after "pay" insert "non-school"

Page 13, delete lines 13 to 15

Page 13, line 16, delete "6" and insert "5"

Page 13, line 16, after "pay" insert "non-school"

Page 13, line 19, delete "7" and insert "6"

Page 13, line 22, delete "8" and insert "7"

Page 13, line 25, delete "9" and insert "8"

Page 13, line 28, delete "10" and insert "9"

Page 13, line 31, delete "11" and insert "10"

Page 14, line 11, after "council" insert ", $350,000 for fiscal year 1993"

Page 14, line 12, delete "$350,000 for fiscal year 1993" and insert "with the participation and ongoing oversight of the legislative commission on planning and fiscal policy"

Page 14, line 34, after "pay" insert "non-school"

Page 14, delete line 36

Page 15, delete lines 1 and 2

Page 15, line 3, delete "5" and insert "4"

Page 15, line 3, after "pay" insert "non-school"

Page 15, line 6, delete "6" and insert "5"

Page 15, line 9, delete "7" and insert "6"

Page 15, line 12, delete "8" and insert "7"

Page 15, line 15, delete "9" and insert "8"

Page 15, line 18, delete "10" and insert "9"

Page 15, line 21, delete "11" and insert "10"

Page 15, line 21, delete "104" and insert "103.5"

Page 15, line 28, delete "(12) $20,265,000" and insert "(11) $20,168,000"

Page 15, line 31, delete "(13) $54,253,000" and insert "(12) $53,992,000"

Page 16, line 20, delete "(11), (12), and (13)" and insert "(10), (11), and (12)"

Page 16, line 24, delete "(12) and (13)" and insert "(11) and (12)"

Page 16, line 25, delete "(11)" and insert "(10)"

Page 20, line 33, delete "assess" and insert "recover"

Page 20, line 34, delete "on" and insert "from"

Page 20, line 36, delete "Assessment" and insert "Recovery"

Page 28, delete lines 32 to 36

Page 29, delete line 1

Page 57, delete lines 24 to 36

Page 58, delete lines 1 to 25

Page 93, line 34, after "clause (18)," insert "or section 273.41"

Page 97, after line 26, insert:

"Sec. 58. Laws 1991, chapter 291, article 1, section 65, is amended to read:

Sec. 65. [EFFECTIVE DATE.]

Sections 1, 4, 35, 36, 57, 58, and 62 are effective the day following final enactment.

Sections 2, 3, 11, 15 to 22, 24, 26 to 28, 30, 37 to 49, and 63 are effective for taxes levied in 1991, payable in 1992, and thereafter.

Sections 5 and 6 are effective for referenda held after November 1, 1992, for taxes payable in 1993 and thereafter.

Sections 7 and 52 are effective July 1, 1991.

Sections 8, 9 and 31 are effective for appeals filed after July 31, 1991.

Section 10 is effective ~~only~~ for taxes payable in 1992~~, 1993, 1994, and 1995~~ and thereafter.

Sections 12 and 14 are effective for taxes payable in 1993 and thereafter, except the deletion of the language "or any single contiguous lot fronting on the same street" in sections 12 and 14 shall be effective for taxes payable in 1992 and thereafter.

Section 13 is effective the day following final enactment and applies to real property acquired after December 31, 1990.

Sections 23 and 25 are effective for taxes payable in 1993 and thereafter.

Section 29 is effective for referenda for taxes payable in 1993 and thereafter.

Sections 32 and 33 are effective for taxes deemed delinquent after December 31, 1991.

Sections 50 and 51 are effective for aids payable in 1991 and thereafter.

Section 53 is effective the day after the governing body of the city of Minneapolis complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 54 is effective for the 1991 and 1992 assessment year.

Section 59 is effective the day after the governing body of independent school district No. 325, Lakefield, complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 60 is effective the day after the governing body of inde-

pendent school district No. 77, Mankato, complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 61 is effective the day after the governing body of independent school district No. 284, Wayzata, complies with Minnesota Statutes, section 645.021, subdivision 3."

Page 110, after line 21, insert "Sales of supplies and equipment used in the operation of an ambulance service owned and operated by a political subdivision of the state are exempt under this subdivision provided that the supplies and equipment are used in the course of providing medical care; motor vehicle parts are not exempt under this provision."

Page 113, after line 17, insert:

"Sec. 19. [297A.46] [REPORTING OF SALES TAX ON MINNESOTA GOVERNMENTS.]

The commissioner shall estimate the amount of revenues derived from imposing the tax under this chapter and chapter 297B on state agencies and political subdivisions for each fiscal year and shall report this amount to the commissioner of finance before the time for filing reports for the fiscal year with the United States department of commerce. The commissioner of finance in reporting the sales and motor vehicle excise tax collections to the United States department of commerce shall exclude this amount from the sales and motor vehicle collections. Sales and motor vehicle excise tax revenues received from political subdivisions must be reported as intergovernmental grants or similar intergovernmental revenue. The amount of the sales and motor vehicle excise tax paid by state agencies must be reported as reduced state expenditures."

Page 116, line 19, delete "Machinery and" and insert "Capital"

Page 116, line 19, after "equipment" insert "and building materials"

Page 116, line 22, delete "subdivision 2,"

Page 127, line 21, delete ", 15, and 16" and after "9," insert "and"

Page 127, after line 27, insert "Sections 15 and 16 are effective for sales made after January 1, 1992."

Page 228, line 2, strike "This subdivision does"

Page 228, strike line 3

Page 228, line 4, strike the period

Renumber the sections in articles 2 and 3 in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Ogren moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 227, line 5, after the period insert "This payment shall be reduced by the total amount of improvements and repairs to the golf course that can be demonstrated to have been paid for by Ramsey county."

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Jaros moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 221, after line 12, insert:

"ARTICLE 9

HUMAN RESOURCES

Section 1. [HUMAN RESOURCES ACCOUNT.]

It is the policy of the state of Minnesota that no person in the state should be homeless, hungry, or without health care. Therefore, a human resources account in the general fund is created to meet these basic needs of the people of our state. The account consists of net proceeds from the income tax rate increase under section 8. The commissioner of revenue shall annually determine the revenue derived from the increase under section 8 and notify the commissioner of finance of the amount to be credited to the human services account.

Sec. 2. Minnesota Statutes 1990, section 145A.14, is amended by adding a subdivision to read:

Subd. 5. [GRANTS FOR COMMUNITY HEALTH CLINICS.] The commissioner of health may make special grants to community health boards or nonprofit corporations to establish, operate, or

subsidize clinic facilities and services, including mobile clinics, to provide community health services in areas of the state where there are inadequate facilities and services to serve populations with particular health care needs, such as the homeless population.

Applicants for grants under this subdivision must submit to the commissioner for approval a plan and budget for use of the funds in the form and detail required by the commissioner. Recipients of funds under this subdivision must provide the services required by the commissioner. They must report to the commissioner at least annually on the use of the funds. Recipients of funds under this subdivision must keep records, including records of expenditure of funds, required by the commissioner. The commissioner may audit the records to determine eligibility for funds under this subdivision.

Sec. 3. [256.922] [USES OF ACCOUNT.]

The funds in the human resources account created in section 1 are annually appropriated as provided by law for the following purposes:

(1) to the housing trust fund account in the housing development fund created under section 462A.201, for use by the commissioner of the housing finance agency for the purposes given in section 462A.201, subdivisions 2 and 3;

(2) to the commissioner of jobs and training for supplemental food grants under section 268.44;

(3) to the commissioner of health for grants under section 145A.14, subdivision 5;

(4) to the commissioner of human services for services to eligible persons under the supplemental food program for women, infants, and children (WIC);

(5) to the commissioner of human services for the work readiness program;

(6) to the commissioner of the housing finance agency for emergency rental and mortgage assistance under section 462A.30; and

(7) to the commissioner of jobs and training for payment under the emergency jobs program in sections 268.671 to 268.681 of wage subsidies to eligible employers who are eligible government agencies or eligible nonprofit agencies as defined in section 268.672, notwithstanding the limit under section 268.676, subdivision 2.

Sec. 4. Minnesota Statutes 1991 Supplement, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] (a) Except as provided in this subdivision, persons who are residents of the state and whose income and resources are less than the standard of assistance established by the commissioner, but who are not categorically eligible under section 256D.05, subdivision 1, are eligible for the work readiness program ~~for a maximum period of five consecutive calendar months during any 12 consecutive calendar month period~~, subject to the provisions of paragraph (d), subdivision 3, and section 256D.052, subdivision 4. ~~The person's five month eligibility period begins on the first day of the calendar month following the date of application for assistance or following the date all eligibility factors are met, whichever is later, and ends on the last day of the fifth consecutive calendar month, whether or not the person has received benefits for all five months. The person is not eligible to receive work readiness benefits during the seven calendar months immediately following the five month eligibility period; however, the person may voluntarily continue to participate in work readiness services for up to three additional consecutive months immediately following the last month of benefits to complete the provisions of the person's employability development plan.~~ Prior to terminating work readiness assistance the county agency must provide advice on the person's eligibility for general assistance medical care and must assess the person's eligibility for general assistance under section 256D.05 to the extent possible, using information in the case file, and determine the person's eligibility for general assistance. A determination that the person is not eligible for general assistance must be stated in the notice of termination of work readiness benefits.

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

(c) Except for family members who must participate in work readiness services under the provisions of section 256D.05, subdivision 1, clause (14), any person who would be defined for purposes of the food stamp program as being enrolled at least half-time in an institution of higher education is ineligible for the work readiness program.

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

Sec. 5. Minnesota Statutes 1991 Supplement, section 256D.051, subdivision 1a, is amended to read:

Subd. 1a. [WORK READINESS PAYMENTS.] (a) Except as provided in this subdivision, grants of work readiness shall be deter-

mined using the standards of assistance, exclusions, disregards, and procedures which are used in the general assistance program. Work readiness shall be granted in an amount that, when added to the nonexempt income actually available to the assistance unit, the total amount equals the applicable standard of assistance.

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

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

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

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

Sec. 6. Minnesota Statutes 1991 Supplement, section 256D.052, subdivision 4, is amended to read:

Subd. 4. [PAYMENT OF WORK READINESS.] The county agency must provide assistance under section 256D.051 to persons who:

(1) participate in a literacy program assigned under subdivision 2. To "participate" means to attend regular classes, complete assignments, and make progress toward literacy goals; or

(2) are not assigned to literacy training because there is no program available or accessible to them.

~~Notwithstanding contrary provisions of section 256D.051, subdivision 1, a person eligible for assistance under this section is eligible for assistance for a maximum period of seven consecutive calendar months during any 12 consecutive calendar month period, subject to section 256D.051, subdivision 1, paragraph (d). Work readiness payments may be terminated for persons who fail to attend the orientation and participate in the assessment and development of the employment development plan.~~

Sec. 7. [268.44] [GRANTS TO FOODSHELVES.]

Subdivision 1. [GRANTS.] The commissioner of jobs and training may provide grants to community foodshelves or other nonprofit programs distributing food or meals without charge to individuals or families in need.

Subd. 2. [APPLICATION AND REPORTS.] Applicants for grants under this section must submit to the commissioner for approval a plan and budget for use of the funds in the form and detail required by the commissioner. Recipients of funds under this section must provide food or meals as required by the commissioner. They must report to the commissioner at least annually on the use of the funds. Recipients of funds under this section must keep records, including records of expenditure of funds provided by the commissioner. The commissioner may audit the records to determine eligibility for funds under this section.

Subd. 3. [RULES.] The commissioner may adopt rules setting eligibility criteria for recipients and for use of grant funds.

Sec. 8. Minnesota Statutes 1990, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code of

1986 as amended through December 31, 1989, must be computed by applying to their taxable net income the following schedule of rates:

(1) On the first $19,910, 6 percent;

(2) On all over $19,910, but not over $79,120, 8 percent;

(3) On all over $79,120, but not over $150,000, 8.5 percent;

(4) On all over $150,000, 10 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

(1) On the first $13,620, 6 percent;

(2) On all over $13,620, but not over $44,750, 8 percent;

(3) On all over $44,750, but not over $102,600, 8.5 percent;

(4) On all over $102,600, 10 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, must be computed by applying to taxable net income the following schedule of rates:

(1) On the first $16,770, 6 percent;

(2) On all over $16,770, but not over $67,390, 8 percent;

(3) On all over $67,390, but not over $126,400, 8.5 percent;

(4) On all over $126,400, 10 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than $100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision,

provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to $1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) The numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1989, less the deduction allowed by section 217 of the Internal Revenue Code of 1986, as amended through December 31, 1990, after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1990, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).

Sec. 9. [462A.30] [EMERGENCY MORTGAGE AND RENTAL ASSISTANCE.]

The commissioner of the housing finance agency shall establish an emergency mortgage and rental assistance pilot project to serve individuals and families in danger of losing their housing. The agency may make grants and loans for the pilot project, establish criteria for administering the program, and pay costs and expenses necessary and incidentals to the development and operation of the program. The type of assistance and repayment must be determined on a case by case basis. Assistance to an individual or family is limited to six months or $2,000, whichever is less. A participant is eligible for assistance only once.

Sec. 10. [EFFECTIVE DATE.]

Section 8 is effective for taxable years beginning after December 31, 1991."

Renumber the articles in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Jaros amendment and the roll was called. There were 22 yeas and 102 nays as follows:

Those who voted in the affirmative were:

Brown	Jefferson	O'Connor	Rice	Uphus
Clark	Kahn	Olson, K.	Rukavina	Wejcman
Dawkins	Lourey	Orfield	Segal	
Hausman	Mariani	Osthoff	Skoglund	
Jaros	Munger	Reding	Trimble	

Those who voted in the negative were:

Abrams	Erhardt	Johnson, V.	Murphy	Smith
Anderson, I.	Farrell	Kalis	Nelson, S.	Solberg
Anderson, R.	Frederick	Kelso	Newinski	Sparby
Anderson, R. H.	Frerichs	Kinkel	Ogren	Steensma
Battaglia	Garcia	Knickerbocker	Olsen, S.	Sviggum
Bauerly	Girard	Koppendrayer	Olson, E.	Swenson
Beard	Goodno	Krambeer	Omann	Thompson
Begich	Gutknecht	Krinkie	Onnen	Tompkins
Bertram	Hanson	Krueger	Orenstein	Tunheim
Bishop	Hartle	Lasley	Ostrom	Valento
Blatz	Hasskamp	Leppik	Pauly	Wagenius
Bodahl	Haukoos	Lieder	Pellow	Waltman
Boo	Heir	Limmer	Pelowski	Weaver
Carlson	Henry	Lynch	Peterson	Welker
Carruthers	Hufnagle	Macklin	Pugh	Welle
Cooper	Hugoson	Marsh	Rest	Wenzel
Dauner	Jacobs	McEachern	Rodosovich	Winter
Davids	Janezich	McGuire	Runbeck	Spk. Long
Dempsey	Jennings	McPherson	Schafer	
Dille	Johnson, A.	Milbert	Schreiber	
Dorn	Johnson, R.	Morrison	Seaberg	

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

Olsen, S.; Valento and Seaberg moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 50, line 19, strike "and"

Page 50, line 20, before "and" insert ", 3.3 percent of market value for taxes payable in 1994, and 3.2 percent of market value for taxes payable in 1995"

Page 58, after line 25, insert:

"Sec. 20. Minnesota Statutes 1991 Supplement, section 273.1398, subdivision 1, is amended to read:

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

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

(c) "Gross tax capacity" means the product of the gross class rates and estimated market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the gross tax capacity of transmission lines deducted from a local government's total gross tax capacity under section 273.425. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of (i) the appropriate net class rates for the year in which the aid is payable, except that for aids payable in 1992 the class rate applied to class 4b property shall be 2.9 percent; the class rate applied to class 4a property shall be 3.55 percent; the class rate applied to noncommercial seasonal recreational residential property shall be 2.25 percent; and the class rates applied to portions of class 1a, 1b, and 2a property shall be 2 percent for the market value between $68,000 and $110,000 and 2.5 percent for the market value over $110,000; for aid payable in 1993 the class rate applicable to class 4a shall be 3.5 percent; and the class rate applicable to class 4b shall be 2.65 percent; and for aid payable in 1994 the class rate applicable to class 4b shall be 2.4 percent; for aid payable in 1995 the class rate applicable to class 4a shall be 3.3 percent; and for aid payable in 1996, the class rate applicable to class 4a property shall be 3.2 percent, and (ii) estimated market values for the assessment two years prior to that in which aid is payable. The reclassification of mobile home parks as class 4c shall not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1991 or 1992. Any reclassification of property by Laws 1991, chapter 291, shall not be considered in determining net tax capacity for aids payable in 1992. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of

property referred to in clauses (1) and (2), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

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

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

(g) "1989 local tax rate" means the quotient derived by dividing the gross taxes levied within a unique taxing jurisdiction for taxes payable in 1989 by the gross tax capacity of the unique taxing jurisdiction for taxes payable in 1989. For computation of the local tax rate for aid payable in 1991 and subsequent years, gross taxes for taxes payable in 1989 exclude equalized levies as defined in subdivision 2a. For purposes of computation of the local tax rate only, gross taxes shall not be adjusted by inflation or household growth.

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

(i) For purposes of calculating the homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's 1989 local tax rate; (ii) its total net tax capacity; and (iii) 0.9767.

(j) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. Gross taxes levied on all properties or gross taxes are before reduction by any credits for taxes payable in 1989. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

"Taxes levied" excludes actual amounts levied for purposes listed in subdivision 2a.

(k) "Human services aids" means:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) work readiness under section 256D.03, subdivision 2;

(6) emergency assistance under section 256.871, subdivision 6;

(7) Minnesota supplemental aid under section 256D.36, subdivision 1;

(8) preadmission screening and alternative care grants;

(9) work readiness services under section 256D.051;

(10) case management services under section 256.736, subdivision 13;

(11) general assistance claims processing, medical transportation and related costs; and

(12) medical assistance, medical transportation and related costs.

(l) "Cost-of-living adjustment factor" means the greater of one or one plus the percentage increase in the consumer price index minus .36 percent. In no case may the cost of living adjustment factor exceed 1.0394.

(m) The percentage increase in the consumer price index means the percentage, if any, by which:

(1) the consumer price index for the calendar year preceding that in which aid is payable, exceeds

(2) the consumer price index for calendar year 1989.

(n) "Consumer price index for any calendar year" means the average of the consumer price index as of the close of the 12-month period ending on May 31 of such calendar year.

(o) "Consumer price index" means the last consumer price index for all-urban consumers published by the department of labor. For purposes of the preceding sentence, the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1989 shall be used.

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

(q) "Growth adjustment factor" means the household adjustment factor in the case of counties, cities, and towns. In the case of school districts the growth adjustment factor means the average daily membership of the school district under section 124.17, subdivision 2, for the school year ending in the second most recent year preceding that in which the aids are payable divided by the average daily membership for the third most recent year. In the case of special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

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

(s) "Net tax capacity adjustment" means (1) the total previous net tax capacity minus the total net tax capacity, multiplied by (2) the

unique taxing jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(t) "Fiscal disparity adjustment" means the difference between (1) a taxing jurisdiction's fiscal disparity distribution levy under section 473F.08, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, and (2) the same distribution levy multiplied by the ratio of the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to equalized school levies as defined in subdivision 2a."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., et al amendment and the roll was called. There were 34 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Henry	Olsen, S.	Seaberg
Anderson, R. H.	Dille	Hufnagle	Olson, K.	Smith
Bishop	Dorn	Krambeer	Osthoff	Sparby
Blatz	Erhardt	Krinkie	Pellow	Swenson
Boo	Frederick	Limmer	Pugh	Tompkins
Carruthers	Frerichs	Lynch	Runbeck	Valento
Clark	Heir	Marsh	Schreiber	

Those who voted in the negative were:

Anderson, I.	Garcia	Johnson, A.	McGuire	Ostrom
Anderson, R.	Girard	Johnson, R.	McPherson	Pauly
Battaglia	Goodno	Johnson, V.	Milbert	Pelowski
Bauerly	Gutknecht	Kahn	Munger	Peterson
Beard	Hanson	Kalis	Murphy	Reding
Begich	Hartle	Kelso	Nelson, K.	Rest
Bertram	Hasskamp	Kinkel	Nelson, S.	Rice
Bodahl	Haukoos	Knickerbocker	Newinski	Rodosovich
Brown	Hausman	Koppendrayer	O'Connor	Rukavina
Carlson	Hugoson	Krueger	Ogren	Sarna
Cooper	Jacobs	Lasley	Olson, E.	Schafer
Dauner	Janezich	Leppik	Omann	Segal
Davids	Jaros	Lieder	Onnen	Simoneau
Dawkins	Jefferson	Lourey	Orenstein	Solberg
Farrell	Jennings	Mariani	Orfield	Steensma

Sviggum	Tunheim	Wagenius	Wejcman	Wenzel
Thompson	Uphus	Waltman	Welker	Winter
Trimble	Vellenga	Weaver	Welle	Spk. Long

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

Valento moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 221, line 26, delete "$235,000,000" and insert "$260,000,000"

A roll call was requested and properly seconded.

The question was taken on the Valento amendment and the roll was called. There were 51 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krambeer	Omann	Swenson
Anderson, R. H.	Gutknecht	Krinkie	Onnen	Tompkins
Bishop	Hartle	Leppik	Ozment	Uphus
Blatz	Haukoos	Limmer	Pauly	Valento
Boo	Heir	Lynch	Pellow	Waltman
Davids	Henry	Macklin	Runbeck	Weaver
Dempsey	Hufnagle	Marsh	Schafer	Welker
Dille	Hugoson	McPherson	Schreiber	
Erhardt	Johnson, V.	Morrison	Seaberg	
Frederick	Knickerbocker	Newinski	Smith	
Frerichs	Koppendrayer	Olsen, S.	Sviggum	

Those who voted in the negative were:

Anderson, I.	Garcia	Krueger	Orenstein	Sparby
Anderson, R.	Goodno	Lasley	Orfield	Steensma
Battaglia	Hanson	Lieder	Osthoff	Thompson
Bauerly	Hasskamp	Lourey	Ostrom	Trimble
Beard	Hausman	Mariani	Pelowski	Tunheim
Begich	Jacobs	McEachern	Peterson	Vellenga
Bertram	Janezich	McGuire	Pugh	Wagenius
Bodahl	Jaros	Milbert	Reding	Wejcman
Brown	Jefferson	Munger	Rest	Welle
Carlson	Jennings	Murphy	Rice	Wenzel
Clark	Johnson, A.	Nelson, K.	Rodosovich	Winter
Cooper	Johnson, R.	Nelson, S.	Rukavina	Spk. Long
Dauner	Kahn	O'Connor	Sarna	
Dawkins	Kalis	Ogren	Segal	
Dorn	Kelso	Olson, E.	Simoneau	
Farrell	Kinkel	Olson, K.	Solberg	

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

Davids, Frerichs and Waltman moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 125 to 126, delete section 27

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

Schreiber moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 2, delete article 1 and insert:

"ARTICLE 1

LOCAL GOVERNMENT TRUST FUND

Section 1. Minnesota Statutes 1991 Supplement, section 3.862, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] (a) By February 1 of each year, the commission shall submit to the speaker of the house and president of the senate recommendations for a formula or formulas to allocate the receipts of the local government trust fund to cities, counties, special taxing districts, and towns for the fiscal year beginning in the next calendar year. A recommendation of the commission must be approved by a three-fourths majority vote of the commission. Recommendations may be adopted, modified, or rejected by a bill enacted into law.

(b) In preparing its recommendations for intergovernmental aid formulas, the commission shall consider and balance the following goals:

(1) equalizing the access of local governments to fiscal resources relative to the need for and cost of providing local services;

(2) increasing accountability for state and local fiscal decisions;

(3) compensating for spillovers in the cost and benefits of local services; and

(4) funding municipal and county programs that are required by state law or that can only be appropriately provided on a uniform statewide basis. The commission may establish other recommenda-

tions for intergovernmental aid formulas to be financed from trust fund money.

(c) The commission shall study elements of state and local intergovernmental relations it considers appropriate. The studies may include examination of (1) requirements under state law that local governments provide services or benefits not funded by state appropriations, and (2) development of incentives or mechanisms for increased local efficiencies through cooperation or combination of local government units.

(d) The commission shall conduct a study of the property tax implications of the community social services act, the community corrections act, and the community health services act relative to: the mandate of each as specified in law or by rule; the level of state funding to support the mandates; the optional programs of each specified in law or by rule; the level of state funding to support the optional programs; the level of local property taxes and other resources to support both mandated and optional programs; the potential expansion of the community corrections act to other counties; and, whether the current allocation of state funding places a disproportionate property tax burden on any county. The commission shall provide a report to the governor and the legislature no later than February 26, 1993.

Sec. 2. Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] The commissioner shall deposit to the credit of the local government trust fund all money available to the credit of the trust. The commissioner shall maintain the trust as a separate fund to be used only ~~to pay money,~~ as provided by law, ~~to local governments for intergovernmental aid or to repay advances made by the general fund, as provided under subdivision~~ 4. In fiscal year 1993, the commissioner shall allocate all money available to the local government trust fund in equal portions to the credit of a local aid account and a homestead credit account within the trust fund. In fiscal year 1994 and thereafter, the commissioner shall allocate all money available to the local government trust fund as follows: 55 percent to the credit of the homestead credit account within the trust fund and 45 percent to the credit of the local aid account within the trust fund. If the fiscal year 1994 deposits in the local government trust fund exceed 110 percent of the amount deposited in the fund in fiscal year 1993, the excess of the increase over ten percent shall be transferred to the general fund. If, in any fiscal year after 1994 the total amount deposited in the local government trust fund exceeds 108 percent of the amount deposited in the fund in the prior fiscal year, the excess of the increase over eight percent shall be transferred to the general fund.

Sec. 3. Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 3, is amended to read:

Subd. 3. [ESTIMATES; REDUCTION OF PAYMENTS.] (a) At the beginning of each fiscal year the commissioner, in consultation with the commissioner of revenue, shall estimate for the fiscal year:

(1) the amount of revenues to be deposited in each account within the trust fund under sections 297A.44 and 297B.09 and other law; and

(2) the payments authorized by law to be made out of each account within the trust.

For fiscal year 1993, if the estimated payments exceed the estimated receipts for either of the two accounts within the trust fund, the corresponding fiscal year appropriations from ~~the trust to each program are~~ that account or accounts shall be proportionately reduced, unless otherwise provided by law.

~~If the estimated receipts of the trust fund exceed the estimated payments by $1,000,000 or more, the appropriation from the trust fund to each intergovernmental aid program is increased proportionately. The aid paid to each local government under the program is increased proportionately unless otherwise provided by law.~~ At the end of fiscal year 1993, any positive balance amounts in either account of the trust fund are transferred to the general fund.

For even-numbered fiscal years after fiscal year 1993, if the estimated local aid account receipts are more than 105 percent, or less than 95 percent, of that year's estimated payments, then that fiscal year's appropriations for each program funded by the local aid account shall be proportionately increased or decreased to bring the estimated fiscal year end account balance to zero. Fiscal year end balances in the local aid account from even-numbered fiscal years shall be carried over in the account to the next fiscal year.

For odd-numbered fiscal years after fiscal year 1993, if the estimated payments and receipts for the local aid account are not equal, then the appropriations for each program funded by the account shall be proportionately increased or decreased as necessary to bring that year's estimated year end account balance to zero.

For even-numbered fiscal years after fiscal year 1993, if the estimated homestead credit account receipts are less than 95 percent of that year's estimated payments, then that fiscal year's appropriations for each program funded by the homestead credit account shall be proportionately decreased to bring the estimated fiscal year end account balance to zero. Any negative fiscal year end balances in

the homestead credit account from even-numbered fiscal years shall be carried over in the account to the next fiscal year.

For odd-numbered fiscal years after fiscal year 1993, if the estimated payments from the homestead credit account exceed the estimated receipts, then the appropriations for each program funded by the account shall be proportionately decreased as necessary to bring that fiscal year's estimated ending balance to zero.

At the end of each fiscal year after fiscal year 1993, all balances greater than zero in the homestead credit account are transferred to the general fund. The amounts so transferred shall be used to pay the general fund costs of the property tax refunds paid under chapter 290A for homeowners and renters.

(b) If as a result of changes in economic conditions or if information becomes available that indicates changes either in receipts or payments from the trust fund, the commissioner may at other times estimate the amount of receipts or payments and reduce or restore the appropriations under paragraph (a).

Sec. 4. Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 4, is amended to read:

Subd. 4. [GENERAL FUND ADVANCES.] If the money in the trust fund is insufficient to make payments on the dates provided by law, but the commissioner estimates receipts for the fiscal year will be sufficient, the commissioner shall advance money from the general fund to the trust fund necessary to make the payments. On or before the close of the biennium the trust shall repay the advances ~~with interest, calculated at the rate of earnings on invested treasurer's cash,~~ to the general fund.

Sec. 5. [16A.712] [LOCAL GOVERNMENT TRUST FUND; GENERAL FUND; APPROPRIATIONS.]

Subdivision 1. [APPROPRIATIONS; LOCAL GOVERNMENT TRUST FUND.] (a) The amounts necessary to make the following payments are annually appropriated from the local aid account of the local government trust fund:

(1) disparity reduction aid to counties, cities, towns, and special taxing districts under section 273.1398;

(2) local government aid and equalization aid under chapter 477A;

(3) $52,166,000 of community social service aids under section 256E.06;

(4) $14,112,000 of community health services subsidies under section 145A.13;

(5) $19,848,000 of community corrections grant subsidies under sections 401.01 to 401.16;

(6) (i) to the commissioner of revenue to administer the local option tax, $660,000;

(ii) to the commissioner of finance to administer the trust fund, $105,000;

(iii) to the advisory commission on intergovernmental relations to pay nonlegislative members' per diem expenses, $25,000; and

(iv) in fiscal year 1993, $2,483,375 to the secretary of state to make payments under section 207A.10.

In fiscal year 1994, the amounts appropriated under clauses (3), (4), and (5) shall each be increased by 8.5 percent over the amounts appropriated for fiscal year 1993. In fiscal year 1995, the increase for each appropriation under clauses (3), (4), and (5) shall be eight percent of the respective fiscal year 1994 appropriations. In each case, the amount to be paid to each eligible county is increased by the same percentage.

(b) In fiscal year 1993 and thereafter, the amounts necessary to make the following payments are appropriated to the commissioner of revenue from the homestead credit account of the local government trust fund:

(1) homestead and agricultural credit aid to counties, cities, towns, and special taxing districts under section 273.1398;

(2) additional homestead and agricultural credit guarantee for counties, cities, towns, and special taxing districts under section 273.1398, subdivision 5; and

(3) manufactured home homestead and agricultural credit aid to counties, cities, towns, and special taxing districts under section 274.20.

Subd. 2. [CONTINGENT REDUCTIONS.] If the commissioner of finance, in consultation with the commissioner of revenue, estimates that the receipts of the local aid account of the local government trust fund will be insufficient to pay the appropriations under subdivision 1, paragraph (a), the appropriations under subdivision 1, paragraph (a), clause (6), must be paid in full and the appropriations under subdivision 1, paragraph (a), clauses (1) to (5), must be reduced as provided by section 16A.711. If the appropriations under

subdivision 1, paragraph (a), are increased as provided in section 16A.711, the appropriations under subdivision 1, paragraph (a), clause (6), must not be increased.

Subd. 3. [APPROPRIATIONS; GENERAL FUND.] In fiscal year 1993 and thereafter, the amounts necessary to make the following intergovernmental aid payments are annually appropriated from the general fund:

(1) additional homestead and agricultural credit guarantee for school districts under section 273.1398, subdivision 5;

(2) disparity reduction credit under section 273.1398, subdivision 4;

(3) attached machinery aid to counties under section 273.138;

(4) supplemental homestead property tax relief under section 273.1391; and

(5) state aid for county human services under section 273.1398, subdivision 5a.

Sec. 6. [207A.10] [REIMBURSEMENT OF ELECTION EXPENSES.]

Subdivision 1. [DUTIES OF SECRETARY OF STATE.] The secretary of state shall reimburse the counties and municipalities for expenses incurred in the administration of the presidential primary from the funds appropriated by the legislature for this purpose, as provided in this section. Up to $7,500 of the appropriation for reimbursement of election expenses may be retained by the secretary of state to administer the reimbursement program.

Subd. 2. [REIMBURSABLE EXPENSES.] The following expenses are eligible for reimbursement: salaries of election judges; postage for absentee ballots; preparation of polling places, in an amount not to exceed $25 per polling place; preparation of electronic voting systems or lever voting machines, in an amount not to exceed $50 per precinct; compensation of county canvassing board members; and compensation for temporary staff or overtime payments.

Subd. 3. [CERTIFICATION OF COSTS.] The county auditor shall certify to the secretary of state the costs incurred by the county for the presidential primary. The municipal clerk shall certify to the secretary of state the costs incurred by the municipality for the presidential primary. If the total amount certified by all units for temporary staff and overtime payments exceeds $480,000, the secretary of state shall reduce those amounts so that they do not exceed $480,000. The secretary of state shall provide each county and

municipality with the appropriate forms for this certification. The secretary of state may require that the county auditor or municipal clerk provide documentation of actual expenditures made for the presidential primary. The certification of costs must be submitted to the secretary of state no later than 60 days after the presidential primary. No reimbursement of expenses must be made unless the certification of costs has been submitted as provided in this subdivision.

Subd. 4. [APPORTIONMENT OF REIMBURSEMENTS.] If the total amount of requests for reimbursement of expenses exceeds the total amount appropriated to the secretary of state for this purpose, the secretary of state shall proportionately reduce the reimbursements so that they do not exceed the amount appropriated.

Sec. 7. Minnesota Statutes 1991 Supplement, section 256.025, subdivision 3, is amended to read:

Subd. 3. [PAYMENT METHODS.] (a) Beginning July 1, 1991, the state will reimburse counties for the county share of county agency expenditures for benefits and services distributed under subdivision 2 and funded by the human services account established under section 273.1392, except as follows:

(1) beginning July 1, 1992, through June 30, 1993, the county shall pay 25 percent of the costs of the growth in emergency general assistance payments which exceed expenditures during the base year of calendar year 1990;

(2) beginning July 1, 1992, through June 30, 1993, the county shall pay 25 percent of the costs of the growth in eligible general assistance negotiated rate payments which exceed expenditures during the base year of calendar year 1990;

(3) beginning July 1, 1992, through June 30, 1993, the county shall pay 15 percent of the costs of the growth in Minnesota supplemental aid negotiated rate payments made which exceed expenditures during the base year of calendar year 1990;

(4) beginning July 1, 1992, through June 30, 1993, the county shall pay 50 percent of the nonfederal portion of the growth in emergency assistance payments made which exceed expenditures during the base year of calendar year 1990.

(b) Payments under subdivision 4 are only for client benefits and services distributed under subdivision 2 and do not include reimbursement for county administrative expenses.

(c) The state and the county agencies shall pay for assistance programs as follows:

(1) Where the state issues payments for the programs, the county shall monthly advance to the state, as required by the department of human services, the portion of program costs not met by federal and state funds. The advance shall be an estimate that is based on actual expenditures from the prior period and that is sufficient to compensate for the county share of disbursements as well as state and federal shares of recoveries;

(2) Where the county agencies issue payments for the programs, the state shall monthly advance to counties all federal funds available for those programs together with an amount of state funds equal to the state share of expenditures; and

(3) Payments made under this paragraph are subject to section 256.017. Adjustment of any overestimate or underestimate in advances shall be made by the state agency in any succeeding month.

Sec. 8. Minnesota Statutes 1991 Supplement, section 256.025, subdivision 4, is amended to read:

Subd. 4. [PAYMENT SCHEDULE.] Except as provided for in subdivision 3, beginning July 1, 1991, the state will reimburse counties, according to the following payment schedule, for the county share of county agency expenditures for the programs specified in subdivision 2.

(a) Beginning July 1, 1991, the state will reimburse or pay the county share of county agency expenditures according to the reporting cycle as established by the commissioner, for the programs identified in subdivision 2. Payments for the period of January 1 through July 31, for calendar years 1991, 1992, and 1993 shall be made on or before July 10 in each of those years. Payments for the period August through December for calendar years 1991, 1992, and 1993 shall be made on or before the third of each month thereafter through December 31 in each of those years.

(b) Payment for 1/24 of the base amount and the January 1994 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before January 3, 1994. For the period of February 1, 1994, through July 31, 1994, payment of the base amount shall be made on or before July 10, 1994, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1994. Payments for the period August 1994 through December 1994 shall be made on or before the third of each month thereafter through December 31, 1994.

(c) Payment for the county share of county agency expenditures during January 1995 shall be made on or before January 3, 1995. Payment for 1/24 of the base amount and the February 1995 county share of county agency expenditures growth amount for the pro-

grams identified in subdivision 2 shall be made on or before February 3, 1995. For the period of March 1, 1995, through July 31, 1995, payment of the base amount shall be made on or before July 10, 1995, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1995. Payments for the period August 1995 through December 1995 shall be made on or before the third of each month thereafter through December 31, 1995.

(d) Monthly payments for the county share of county agency expenditures from January 1996 through February 1996 shall be made on or before the third of each month through February 1996. Payment for 1/24 of the base amount and the March 1996 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before March 1996. For the period of April 1, 1996, through July 31, 1996, payment of the base amount shall be made on or before July 10, 1996, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1996. Payments for the period August 1996 through December 1996 shall be made on or before the third of each month thereafter through December 31, 1996.

(e) Monthly payments for the county share of county agency expenditures from January 1997 through March 1997 shall be made on or before the third of each month through March 1997. Payment for 1/24 of the base amount and the April 1997 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before April 3, 1997. For the period of May 1, 1997, through July 31, 1997, payment of the base amount shall be made on or before July 10, 1997, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1997. Payments for the period August 1997 through December 1997 shall be made on or before the third of each month thereafter through December 31, 1997.

(f) Monthly payments for the county share of county agency expenditures from January 1998 through April 1998 shall be made on or before the third of each month through April 1998. Payment for 1/24 of the base amount and the May 1998 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before May 3, 1998. For the period of June 1, 1998, through July 31, 1998, payment of the base amount shall be made on or before July 10, 1998, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1998. Payments for the period August 1998 through December 1998 shall be made on or before the third of each month thereafter through December 31, 1998.

(g) Monthly payments for the county share of county agency

expenditures from January 1999 through May 1999 shall be made on or before the third of each month through May 1999. Payment for 1/24 of the base amount and the June 1999 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before June 3, 1999. ~~For the period of June 1, 1999, through July 31, 1999, payment shall be made on or before July 10, 1999.~~ Payments for the period ~~August~~ July 1999 through December 1999 shall be made on or before the third of each month thereafter through December 31, 1999.

(h) Effective January 1, 2000, monthly payments for the county share of county agency expenditures shall be made subsequent to the first of each month.

Payments under this subdivision are subject to the provisions of section 256.017.

Sec. 9. Minnesota Statutes 1990, section 473H.10, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF TAX; STATE REIMBURSEMENT.] (a) After having determined the market value of all land valued according to subdivision 2, the assessor shall compute the gross tax capacity of those properties by applying the appropriate class rates. When computing the rate of tax pursuant to section 275.08, the county auditor shall include the gross tax capacity of land as provided in this clause.

(b) The county auditor shall compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the gross tax capacity times the total local tax rate for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the gross tax capacity times 105 percent of the previous year's statewide average local tax rate levied on property located within townships for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be the amount determined in clause (b) or (c), whichever is less. If the gross tax in clause (c) is less than the gross tax in clause (b), the state shall reimburse the taxing jurisdictions for the amount of difference. Residential buildings shall continue to be valued and classified according to the provisions of sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.

The county may transfer money from the county conservation account created in section 40A.152 to the county revenue fund to reimburse the fund for the tax lost as a result of this subdivision or to pay taxing jurisdictions within the county for the tax lost. The county auditor shall certify to the commissioner of revenue on or before June 1 the total amount of tax lost to the county and taxing jurisdictions located within the county as a result of this subdivision and the extent that the tax lost exceeds funds available in the county conservation account. Payment shall be made by the state on December ~~15~~ 26 to each of the affected taxing jurisdictions, other than school districts, in the same proportion that the ad valorem tax is distributed if the county conservation account is insufficient to make the reimbursement. There is annually appropriated from the Minnesota conservation fund under section 40A.151 to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision. If the amount available in the Minnesota conservation fund is insufficient, the balance that is needed is appropriated from the general fund.

Sec. 10. Minnesota Statutes 1991 Supplement, section 477A.0132, is amended to read:

477A.0132 [AID REDUCTIONS TO LOCAL GOVERNMENTS.]

Subdivision 1. [AFFECTED LOCAL GOVERNMENTS.] The following permanent and nonpermanent reductions shall be made in aids paid to the following local units of government:

(a) ~~For aids payable in 1990, there shall be a permanent reduction in aids to counties and cities of $28,000,000.~~

~~(b) For aids payable on July 20, 1991, there shall be a nonpermanent reduction in aid payments to counties, cities, towns, and special taxing districts of $50,000,000.~~

~~(c) For aids payable on December 15, 1991, there shall be a nonpermanent reduction in aids to counties, cities, towns, and special taxing districts of $35,000,000. For purposes of this reduction, hospital districts are not considered special taxing districts.~~

~~(d)~~ For aids payable in 1992, there shall be a permanent reduction in aids to counties, cities, and special taxing districts of $86,000,000. For purposes of this reduction, hospital districts are not considered special taxing districts.

~~(e)~~ (b) For aids payable in 1992, in addition to the reduction in clause (a), there shall be a permanent reduction in aids to cities of $41,000,000.

(c) Aid reductions required under section 477A.014, subdivision

1a, ~~there~~ shall be ~~a~~ nonpermanent ~~reduction~~ reductions in aids to counties, cities, towns, and special taxing districts equal to the difference between the aid amounts certified to be paid and the amount ~~appropriated under Laws 1991, chapter 291, article 2, section 3,~~ of the appropriation to pay the aids.

Subd. 2. [CALCULATION OF AID REDUCTION.] The aid reduction to each local government as provided under subdivision 1 will be equal to the product of the reduction percentage and its reduction base. The reduction base is defined as the following:

(a) For subdivision 1, clause (a), the reduction base is equal to the adjusted revenue base for ~~1991~~ 1992.

(b) For subdivision 1, clause (b), the reduction base is equal to the revenue base for ~~1992~~ 1993.

(c) For subdivision 1, clause (c), the reduction base is equal to the ~~adjusted~~ revenue base for ~~1992.~~

~~(d) For subdivision 1, clause (d), the reduction base is equal to the adjusted revenue base for 1992.~~

~~(e) For subdivision 1, clause (e), the reduction base is equal to the adjusted revenue base for~~ the year in which the aid payment is to be made.

Subd. 3. [ORDER OF AID REDUCTIONS.] (a) The aid reduction to a local government as calculated under subdivisions 1, clause (a), and 2, is first applied to its local government aid under sections 477A.012 and 477A.013 excluding aid under section 477A.013, subdivision 5; then, if necessary, to its equalization aid under section 477A.013, subdivision 5; then if necessary, to its homestead and agricultural credit aid under section 273.1398, subdivision 2; and then, if necessary, to its disparity reduction aid under section 273.1398, subdivision 3; and then, if necessary, to its homestead and agricultural credit guarantee under section 273.1398, subdivision 5. No aid payment may be less than $0. Aid reductions under this section in any given year shall be divided equally between the July ~~20~~ and December ~~15~~ aid payments unless specified otherwise in subdivision 1.

(b) The aid reduction to cities as calculated under subdivisions 1, clause (b), and 2 is first applied to its local government aid under section 477A.013; then if necessary, to its equalization aid under section 477A.013; and then if necessary, to its disparity reduction aid under section 273.1398, subdivision 3. No aid payment may be less than $0. Aid reductions under this section in any given year shall be divided equally between the July and December aid payments unless specified otherwise in subdivision 1.

Sec. 11. Minnesota Statutes 1991 Supplement, section 477A.014, subdivision 1a, is amended to read:

Subd. 1a. [ADJUSTMENTS FOR LOCAL GOVERNMENT TRUST FUND REVENUES.] For aids payable in ~~1991 and~~ 1992 ~~only~~ and thereafter, if the amount appropriated ~~under Laws 1991, chapter 291, article 2, section 3,~~ under section 16A.712 for homestead and agricultural credit aid and disparity reduction aid under section 273.1398, and local government aid and equalization aid under sections 477A.011 to 477A.013, ~~and~~ the additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, and manufactured home homestead and agricultural credit aid under section 274.20, is less than or greater than the amounts certified to be paid by the commissioner of revenue, the aids will be reduced or increased in the following manner unless otherwise provided for in law.

In the case of an aid reduction, each city's, county's, town's, and special taxing district's aids will be reduced as provided for in section 477A.0132. In the case of an aid increase, each city's, county's, town's, and special taxing district's aid shall be increased proportionately. The aid reduction or increase will be split equally between the July ~~20~~ and December aid payments each year.

If the commissioner estimates an additional reduction or increase in appropriations for these programs after the July ~~20~~ aid payment but before the December payment, the December aid payments to local governments for these programs will be reduced or increased proportionately.

Sec. 12. Minnesota Statutes 1990, section 477A.015, is amended to read:

477A.015 [PAYMENT DATES.]

The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in two installments on July 20 and December ~~15~~ 26 annually.

The commissioner may pay all or part of the payment due ~~on~~ in December ~~15~~ at any time after August 15 upon the request of a city that requests such payment as being necessary for meeting its cash flow needs.

Sec. 13. [477A.0121] [COUNTY CORRECTIONS AID.]

Subdivision 1. [PURPOSE.] County corrections aid is intended to reduce the reliance of county criminal justice and corrections programs and associated costs on local property taxes.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following definitions apply:

(1) "population" means the population according to the most recent federal census, or according to the state demographer's most recent estimate if it has been issued subsequent to the most recent federal census; and

(2) "part one crimes" means the total number of part one crimes reported for each county by the department of public safety for the most recent year available.

Subd. 3. [FORMULA.] Each calendar year, the commissioner of revenue shall distribute county corrections aid to each county in an amount determined according to the following formula:

(1) one-half shall be distributed to each county in the same proportion that the county's population is to the population of all counties in the state; and

(2) one-half shall be distributed to each county in the same proportion that the county's part one crimes are to the total part one crimes for all counties in the state.

Subd. 4. [PAYMENT DATES.] The aid amounts for each calendar year shall be paid in two equal payments, on July 15 and December 15 of each year.

Sec. 14. [APPROPRIATION.]

The sum of $9,400,000 for calendar year 1993 and $9,400,000 for calendar year 1994 is appropriated from the general fund to the commissioner of revenue to make payments under Minnesota Statutes, section 477A.0121.

Sec. 15. [APPROPRIATION CANCELLATION.]

Any 1993 fiscal year appropriations from the general fund enacted prior to enactment of this act to pay community social service aids under Minnesota Statutes, section 256E.06, community health services subsidies under Minnesota Statutes, section 145A.13, and community corrections grant subsidies under Minnesota Statutes, section 401.01 to 401.16, are canceled.

Sec. 16. [REPEALER.]

Laws 1991, chapter 291, article 2, section 3, is repealed.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective July 1, 1992."

Page 110, delete section 12

Page 127, delete line 23

Page 176, after line 8, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 10A.322, subdivision 1, is amended to read:

Subdivision 1. [AGREEMENT BY CANDIDATE.] (a) As a condition of receiving a public subsidy from the state elections campaign fund, a candidate shall sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25 and 10A.324.

(b) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The board shall also provide agreement forms to candidates on request at any time. The candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate may submit the agreement directly to the board at any time before September 1 preceding the general election. An agreement may not be signed or rescinded after that date.

(c) ~~The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.~~

~~(d)~~ Notwithstanding any provisions of this section, when a vacancy occurs that will be filled by means of a special election and the filing period does not coincide with the filing period for the general election, a candidate may sign and submit a spending limit agreement at any time before the deadline for submission of a signed agreement under section 10A.315.

Sec. 2. Minnesota Statutes 1991 Supplement, section 10A.43, subdivision 3, is amended to read:

Subd. 3. [SUBMISSION OF AGREEMENT.] (a) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The board shall also make agreement forms available to congressional candidates on request at any time.

(b) The congressional candidate may sign an agreement and submit it, along with a copy of the candidate's federal designation of a principal campaign committee, to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in

which case the filing officer shall without delay forward signed agreements to the board. Alternatively, for a general election the congressional candidate may obtain an agreement form from the board and submit the agreement, along with a copy of the candidate's federal designation of a principal campaign committee, directly to the board at any time before September 1 preceding the general election.

(c) An agreement may not be signed or rescinded after September 1 preceding the general election.

(d) ~~The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.~~

~~(e)~~ Notwithstanding any provisions of this section, when a vacancy in a congressional office occurs that will be filled by means of a special election, and the filing period does not coincide with the filing period for the general election, a congressional candidate may sign and submit a spending limit agreement at any time before one day after the candidate files an affidavit of candidacy or nominating petition for the office.

Sec. 3. Minnesota Statutes 1991 Supplement, section 270A.03, subdivision 7, is amended to read:

Subd. 7. "Refund" means an individual income tax refund ~~or political contribution refund,~~ pursuant to chapter 290, or a property tax credit or refund, pursuant to chapter 290A.

For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision 8, shall be treated as refunds."

Page 182, after line 4, insert:

"Sec. 11. Minnesota Statutes 1991 Supplement, section 289A.50, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RIGHT TO REFUND.] (a) Subject to the requirements of this section and section 289A.40, a taxpayer who has paid a tax in excess of the taxes lawfully due and who files a written claim for refund will be refunded or credited the overpayment of the tax determined by the commissioner to be erroneously paid.

(b) The claim must specify the name of the taxpayer, the date when and the period for which the tax was paid, the kind of tax paid, the amount of the tax that the taxpayer claims was erroneously paid, the grounds on which a refund is claimed, and other information relative to the payment and in the form required by the commissioner. An income tax, estate tax, or corporate franchise tax return,

or amended return claiming an overpayment constitutes a claim for refund.

(c) When, in the course of an examination, and within the time for requesting a refund, the commissioner determines that there has been an overpayment of tax, the commissioner shall refund or credit the overpayment to the taxpayer and no demand is necessary. If the overpayment exceeds $1, the amount of the overpayment must be refunded to the taxpayer. If the amount of the overpayment is less than $1, the commissioner is not required to refund. In these situations, the commissioner does not have to make written findings or serve notice by mail to the taxpayer.

(d) If the amount allowable as a credit for withholding, estimated taxes, or dependent care exceeds the tax against which the credit is allowable, the amount of the excess is considered an overpayment. ~~The refund allowed by section 290.06, subdivision 23, is also considered an overpayment.~~

(e) If the entertainment tax withheld at the source exceeds by $1 or more the taxes, penalties, and interest reported in the return of the entertainment entity or imposed by section 290.9201, the excess must be refunded to the entertainment entity. If the excess is less than $1, the commissioner need not refund that amount.

(f) If the surety deposit required for a construction contract exceeds the liability of the out-of-state contractor, the commissioner shall refund the difference to the contractor.

(g) An action of the commissioner in refunding the amount of the overpayment does not constitute a determination of the correctness of the return of the taxpayer.

(h) There is appropriated from the general fund to the commissioner of revenue the amount necessary to pay refunds allowed under this section.

Sec. 12. Minnesota Statutes 1990, section 290.01, subdivision 6, is amended to read:

Subd. 6. [TAXPAYER.] The term "taxpayer" means any person or corporation subject to a tax imposed by this chapter. ~~For purposes of section 290.06, subdivision 23, the term "taxpayer" means an individual eligible to vote in Minnesota under section 201.014.~~"

Page 184, delete section 9

Page 187, after line 21, insert:

"Sec. 19. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 290.06, subdivision 23, is repealed."

Page 187, after line 26, insert:

"Sections 3, 11, 12, and 19 are effective for claims based on contributions made after the day of final enactment."

Page 210, delete article 8

Renumber the sections in sequence

Renumber the articles in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called. There were 54 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Kelso	Morrison	Seaberg
Anderson, R. H.	Goodno	Knickerbocker	Newinski	Smith
Bishop	Gutknecht	Koppendrayer	Olsen, S.	Sviggum
Blatz	Hartle	Krambeer	Omann	Swenson
Boo	Haukoos	Krinkie	Onnen	Tompkins
Davids	Heir	Leppik	Ozment	Uphus
Dempsey	Henry	Limmer	Pauly	Valento
Dille	Hufnagle	Lynch	Pellow	Waltman
Erhardt	Hugoson	Macklin	Runbeck	Weaver
Frederick	Jaros	Marsh	Schafer	Welker
Frerichs	Johnson, V.	McPherson	Schreiber	

Those who voted in the negative were:

Anderson, I.	Dorn	Krueger	Olson, K.	Simoneau
Anderson, R.	Farrell	Lasley	Orenstein	Skoglund
Battaglia	Garcia	Lieder	Orfield	Solberg
Bauerly	Greenfield	Lourey	Osthoff	Sparby
Beard	Hanson	Mariani	Ostrom	Steensma
Begich	Hausman	McEachern	Pelowski	Thompson
Bertram	Jacobs	McGuire	Peterson	Trimble
Bodahl	Janezich	Milbert	Pugh	Tunheim
Brown	Jefferson	Munger	Reding	Vellenga
Carlson	Jennings	Murphy	Rest	Wagenius
Carruthers	Johnson, A.	Nelson, K.	Rice	Wejcman
Clark	Johnson, R.	Nelson, S.	Rodosovich	Wenzel
Cooper	Kahn	O'Connor	Rukavina	Winter
Dauner	Kalis	Ogren	Sarna	Spk. Long
Dawkins	Kinkel	Olson, E.	Segal	

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

Marsh and Bauerly moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 31, line 8, after "12," delete "and" and after "13" insert ", and 14"

Page 34, after line 27, insert:

"Sec. 12. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

Subd. 14. [IMPROVEMENTS FOR HANDICAPPED PERSONS.] In valuing homestead property, the assessor shall not take into account improvements or additions to the property necessary to accommodate the needs of a handicapped individual residing in the household. To receive benefits under this subdivision, the property owner shall apply to the assessor on or before March 1 for property taxes payable in the succeeding year and thereafter. The property owner shall provide the assessor with the information the assessor considers necessary to determine eligibility under this section."

Page 98, after line 5, insert:

"Section 12 is effective for taxes levied in 1992, payable in 1993, and thereafter. In 1993 only, the application required in section 12 must be filed by June 15, 1992."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

McGuire; Osthoff; Johnson, A.; Mariani; Trimble; Farrell; Vellenga; Orenstein and Hausman moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 226, delete line 32 to page 227, line 21

Renumber sections accordingly

The motion prevailed and the amendment was adopted.

Leppik; Weaver; Boo; Abrams; Hartle; Onnen; Clark; Segal; Kahn; Morrison; Bauerly; Dawkins; Olson, K.; Milbert; Pauly; Trimble; Blatz; Kelso; Johnson, A.; Garcia; Vellenga; Olsen, S.; Wagenius; Mariani; Lourey; McGuire; Steensma; Bodahl; Orfield; Jefferson; Wejcman; Stanius; Runbeck; Nelson, K., and Henry moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 95, line 26, before "Each" insert "(a)"

Page 95, after line 29, insert "(b) The district's authority to levy is contingent upon the district demonstrating to the satisfaction of the office of monitoring in the department of education that the district will provide equal sports opportunities for male and female students to use the Bronco arena, particularly in areas of access to prime practice time, team support, and providing junior varsity and younger level teams for girls' ice sports and ice sports offerings."

A roll call was requested and properly seconded.

Anderson, I.; Osthoff; Pugh; Milbert and Kahn moved to amend the Leppik et al amendment to H. F. No. 2940, the first engrossment, as amended, as follows:

Page 1 of the Leppik et al amendment, after line 2, insert:

"Page 95, line 25, delete "INTERNATIONAL FALLS;"

Page 95, line 26, after the comma insert "an"

Page 95, line 27, delete "No. 361, International Falls" and insert "operating and maintaining an ice arena"

Page 95, line 28, delete "Bronco" and insert "ice""

Page 1 of the Leppik et al amendment, line 4, delete "The district's"

Page 1 of the Leppik et al amendment, line 5, delete "authority to levy is contingent upon the district demonstrating" and insert "Any school district operating and maintaining an ice arena must demonstrate"

Page 1 of the Leppik et al amendment, lines 8 and 9, delete "the Bronco" and insert "its ice"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	O'Connor	Seaberg
Anderson, I.	Frerichs	Kinkel	Ogren	Segal
Anderson, R.	Garcia	Knickerbocker	Olsen, S.	Simoneau
Anderson, R. H.	Girard	Koppendrayer	Olson, E.	Skoglund
Battaglia	Goodno	Krambeer	Olson, K.	Smith
Bauerly	Greenfield	Krinkie	Omann	Solberg
Beard	Gutknecht	Krueger	Onnen	Sparby
Begich	Hanson	Lasley	Orenstein	Steensma
Bertram	Hartle	Leppik	Orfield	Sviggum
Bishop	Hasskamp	Lieder	Osthoff	Swenson
Blatz	Haukoos	Limmer	Ostrom	Thompson
Bodahl	Hausman	Lourey	Ozment	Tompkins
Boo	Heir	Lynch	Pauly	Trimble
Brown	Henry	Macklin	Pellow	Tunheim
Carlson	Hufnagle	Mariani	Pelowski	Uphus
Carruthers	Hugoson	Marsh	Peterson	Valento
Clark	Jacobs	McEachern	Pugh	Vellenga
Cooper	Janezich	McGuire	Reding	Wagenius
Dauner	Jaros	McPherson	Rest	Waltman
Davids	Jefferson	Milbert	Rice	Weaver
Dawkins	Jennings	Morrison	Rodosovich	Wejcman
Dempsey	Johnson, A.	Munger	Rukavina	Welker
Dille	Johnson, R.	Murphy	Runbeck	Welle
Dorn	Johnson, V.	Nelson, K.	Sarna	Wenzel
Erhardt	Kahn	Nelson, S.	Schafer	Winter
Farrell	Kalis	Newinski	Schreiber	Spk. Long

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

The question recurred on the Leppik et al amendment, as amended, and the roll was called. There were 123 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Koppendrayer	Olsen, S.	Skoglund
Anderson, I.	Goodno	Krambeer	Olson, E.	Smith
Anderson, R.	Greenfield	Krinkie	Olson, K.	Solberg
Battaglia	Hanson	Krueger	Omann	Sparby
Bauerly	Hartle	Lasley	Onnen	Steensma
Beard	Hasskamp	Leppik	Orenstein	Sviggum
Bertram	Haukoos	Lieder	Orfield	Swenson
Bishop	Hausman	Limmer	Osthoff	Thompson
Blatz	Heir	Lourey	Ozment	Tompkins
Bodahl	Henry	Lynch	Pauly	Trimble
Boo	Hufnagle	Macklin	Pellow	Tunheim
Brown	Hugoson	Mariani	Pelowski	Uphus
Carlson	Jacobs	Marsh	Peterson	Valento
Carruthers	Janezich	McEachern	Pugh	Vellenga
Clark	Jaros	McGuire	Reding	Wagenius
Cooper	Jefferson	McPherson	Rest	Waltman
Dauner	Jennings	Milbert	Rice	Weaver
Dawkins	Johnson, A.	Morrison	Rodosovich	Wejcman
Dempsey	Johnson, R.	Munger	Rukavina	Welker
Dorn	Johnson, V.	Murphy	Runbeck	Welle
Erhardt	Kahn	Nelson, K.	Sarna	Wenzel
Farrell	Kalis	Nelson, S.	Schafer	Winter
Frederick	Kelso	Newinski	Seaberg	Spk. Long
Frerichs	Kinkel	O'Connor	Segal	
Garcia	Knickerbocker	Ogren	Simoneau	

Those who voted in the negative were:

Anderson, R. H. Davids Dille Ostrom Schreiber

The motion prevailed and the amendment, as amended, was adopted.

McEachern moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 95, line 26, delete "Subdivision 1. [LEVY.]"

Page 95, delete lines 30 to 33

The motion prevailed and the amendment was adopted.

Limmer, Abrams, Henry, Smith, Stanius, Pellow, Blatz, Krinkie, Goodno, Welker, Heir, Davids, Hufnagle, Tompkins, Knickerbocker, Runbeck, Frederick, Krambeer and Jennings moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 110, delete section 12

Page 127, delete line 23

Page 238, after line 25, insert:

"Sec. 20. [CONSTITUTIONAL AMENDMENT PROPOSED.]

The following amendment to the Minnesota Constitution, article X, is proposed to the people. If the amendment is adopted, a new section will read as follows:

Sec. 9. [TAX LAWS; THREE-FIFTHS VOTES.] The passage of a law raising, changing, or enacting a tax requires the vote of three-fifths of the members of each house of the legislature.

Sec. 21. [SUBMISSION TO VOTERS; SCHEDULE.]

The amendment proposed in section 20 shall be submitted to the people at the 1992 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to require that a law raising, changing, or enacting a tax requires the vote of three-fifths of the members of each house of the legislature?

Yes .....
No ....."""

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Welle moved that the Limmer et al amendment to H. F. No. 2940, the first engrossment, as amended, be referred to the Committee on Rules and Legislative Administration.

A roll call was requested and properly seconded.

The question was taken on the Welle motion and the roll was called. There were 75 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Farrell	Kinkel	Olson, K.	Simoneau
Battaglia	Garcia	Krueger	Orenstein	Skoglund
Bauerly	Greenfield	Lasley	Orfield	Solberg
Beard	Hanson	Lieder	Osthoff	Sparby
Begich	Hasskamp	Lourey	Ostrom	Steensma
Bertram	Hausman	Mariani	Pelowski	Thompson
Bodahl	Jacobs	McEachern	Peterson	Trimble
Brown	Janezich	McGuire	Pugh	Tunheim
Carlson	Jaros	Milbert	Reding	Vellenga
Carruthers	Jefferson	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Wejcman
Cooper	Johnson, R.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	Nelson, S.	Rukavina	Wenzel
Dawkins	Kalis	Ogren	Sarna	Winter
Dorn	Kelso	Olson, E.	Segal	Spk. Long

Those who voted in the negative were:

Abrams	Frerichs	Johnson, V.	Morrison	Schreiber
Anderson, R.	Girard	Knickerbocker	Newinski	Seaberg
Anderson, R. H.	Goodno	Koppendrayer	O'Connor	Smith
Bishop	Gutknecht	Krambeer	Olsen, S.	Sviggum
Blatz	Hartle	Krinkie	Omann	Swenson
Boo	Haukoos	Leppik	Onnen	Tompkins
Davids	Heir	Limmer	Ozment	Uphus
Dempsey	Henry	Lynch	Pauly	Valento
Dille	Hufnagle	Macklin	Pellow	Waltman
Erhardt	Hugoson	Marsh	Runbeck	Weaver
Frederick	Jennings	McPherson	Schafer	Welker

The motion prevailed and the Limmer et al amendment was referred to the Committee on Rules and Legislative Administration.

Blatz and Sviggum moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 238, after line 25, insert:

"Sec. 20. [EXPENDITURES FOR LOBBYISTS.]

A home rule or statutory city may expend funds for only one of the following:

(1) pay one individual or employee to act as a lobbyist as defined in Minnesota Statutes, section 10A.01, subdivision 11; or

(2) pay dues or other consideration to one association that pays funds to individuals or employees to act as lobbyists.

A city shall report its expenditures of funds for the purposes given in this section with the report to the commissioner of revenue on tax levies under article 5, section 10. Notwithstanding any other law to the contrary, if the commissioner determines that the requirements of this section have not been met by the city, the levy of the city for all purposes in the following levy year may not exceed the levy made in the current levy year."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Blatz and Sviggum amendment and the roll was called. There were 58 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Johnson, R.	Nelson, S.	Smith
Anderson, R. H.	Frerichs	Kelso	Newinski	Stanius
Beard	Girard	Knickerbocker	O'Connor	Sviggum
Bertram	Gutknecht	Koppendrayer	Olsen, S.	Tompkins
Bishop	Hartle	Krambeer	Omann	Uphus
Blatz	Hasskamp	Krinkie	Onnen	Valento
Boo	Haukoos	Leppik	Ozment	Waltman
Brown	Heir	Limmer	Pauly	Weaver
Carruthers	Henry	Lynch	Pellow	Welker
Dempsey	Hufnagle	Macklin	Runbeck	Wenzel
Dille	Hugoson	Marsh	Schreiber	
Erhardt	Johnson, A.	McPherson	Seaberg	

Those who voted in the negative were:

Anderson, I.	Goodno	Lourey	Pelowski	Sparby
Anderson, R.	Greenfield	Mariani	Peterson	Steensma
Battaglia	Hanson	McEachern	Pugh	Swenson
Begich	Hausman	McGuire	Reding	Thompson
Bodahl	Jacobs	Milbert	Rest	Trimble
Carlson	Janezich	Morrison	Rice	Tunheim
Clark	Jefferson	Murphy	Rodosovich	Vellenga
Cooper	Jennings	Ogren	Rukavina	Wagenius
Dauner	Johnson, V.	Olson, E.	Sarna	Wejcman
Davids	Kahn	Olson, K.	Schafer	Welle
Dawkins	Kinkel	Orenstein	Segal	Winter
Dorn	Krueger	Orfield	Simoneau	Spk. Long
Farrell	Lasley	Osthoff	Skoglund	
Garcia	Lieder	Ostrom	Solberg	

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

POINT OF ORDER

Stanius raised a point of order pursuant to rule 5.10 that H. F. No. 2940, as amended, was not in order. The Speaker ruled the point of order not well taken and H. F. No. 2940, as amended, in order.

Dempsey appealed the decision of the Chair.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 75 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Kinkel	Olson, K.	Simoneau
Battaglia	Greenfield	Krueger	Orenstein	Skoglund
Bauerly	Hanson	Lasley	Orfield	Solberg
Beard	Hasskamp	Lieder	Osthoff	Sparby
Begich	Hausman	Lourey	Ostrom	Steensma
Bertram	Jacobs	Mariani	Pelowski	Thompson
Bodahl	Janezich	McEachern	Peterson	Trimble
Brown	Jaros	McGuire	Pugh	Tunheim
Carlson	Jefferson	Milbert	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Wejcman
Dauner	Johnson, R.	Nelson, S.	Rodosovich	Welle
Dawkins	Kahn	O'Connor	Rukavina	Wenzel
Dorn	Kalis	Ogren	Sarna	Winter
Farrell	Kelso	Olson, E.	Segal	Spk. Long

Those who voted in the negative were:

Abrams	Bishop	Boo	Dempsey	Erhardt
Anderson, R. H.	Blatz	Davids	Dille	Frederick

Frerichs	Johnson, V.	McPherson	Schafer	Waltman
Girard	Knickerbocker	Morrison	Schreiber	Weaver
Goodno	Koppendrayer	Newinski	Seaberg	Welker
Gutknecht	Krambeer	Olsen, S.	Smith	
Hartle	Krinkie	Omann	Stanius	
Haukoos	Leppik	Onnen	Sviggum	
Heir	Limmer	Ozment	Swenson	
Henry	Lynch	Pauly	Tompkins	
Hufnagle	Macklin	Pellow	Uphus	
Hugoson	Marsh	Runbeck	Valento	

So it was the judgment of the House that the decision of the Speaker should stand.

Krueger moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 154, strike lines 32 and 33

Page 154, line 34, strike "and by the county"

Page 155, lines 1 to 3, delete the new language

The motion prevailed and the amendment was adopted.

H. F. No. 2940, A bill for an act relating to the financing and operation of government in Minnesota; changing the funding and payment of certain aids to local governments; modifying the administration, computation, collection, and enforcement of taxes and refunds; changing tax rates, bases, credits, exemptions, and payments; reducing the amount in the budget and cash flow reserve account; updating references to the Internal Revenue Code; changing certain bonding provisions; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, and watershed districts; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 60A.19, subdivision 6; 103B.241; 103B.335; 103F.221, subdivision 3; 124.2131, subdivision 1; 174.27; 268.672, by adding subdivisions; 268.6751, subdivision 1; 268.676, subdivision 1; 268.677, subdivisions 1 and 2; 268.681, subdivisions 1, 2, and 3; 268.682, subdivisions 1, 2, and 3; 270.075, subdivision 1; 270A.05; 270A.07, subdivisions 1 and 2; 270A.11; 270B.01, subdivision 8; 271.06, subdivision 7; 272.115; 273.11, by adding subdivisions; 273.13, subdivision 24; 273.135, subdivision 2; 274.19, subdivision 8; 274.20, subdivisions 1, 2, and 4; 278.01, subdivision 2; 278.02; 282.01, subdivision 7; 282.012; 282.09, subdivision 1; 282.241; 282.36; 289A.25, by adding a subdivision; 289A.26, subdivisions 3, 4, 7, and 9; 289A.50, subdivision 5; 290.05, subdivision 4; 290.06, by adding a subdivision; 290.091, subdivision 6; 290.0922, subdivision 2; 290.9201, subdivision 11; 290.923, by adding a subdivision; 290A.03, subdivision 8; 290A.19; 290A.23; 297A.01, by adding a

subdivision; 297A.02, by adding a subdivision; 297A.14, subdivision 1; 297A.15, subdivisions 5 and 6; 297A.25, subdivisions 11, 45, and by adding subdivisions; 297B.01, subdivision 8; 327C.01, by adding a subdivision; 327C.12; 373.40, subdivision 7; 383.06; 383B.152; 398A.06, subdivision 2; 401.02, subdivision 3; 401.05; 414.0325, by adding a subdivision; 414.033, subdivisions 2, 3, 5, and by adding a subdivision; 462A.22, subdivision 1; 469.107, subdivision 2; 469.153, subdivision 2; 469.177, subdivision 1a; 471.571, subdivision 2; 473.388, subdivision 4; 473.446, subdivision 1; 473.711, subdivision 2; 473H.10, subdivision 3; 477A.013, subdivision 5; 477A.015; 477A.12; 477A.13; 488A.20, subdivision 4; 541.07; and 641.24; Minnesota Statutes 1991 Supplement, sections 4A.02; 16A.15, subdivision 6; 16A.711, subdivision 4; 47.209; 69.021, subdivisions 5 and 6; 124A.23, subdivision 1; 256.025, subdivisions 3 and 4; 256E.05, subdivision 3; 256E.09, subdivision 6; 270A.04, subdivision 2; 270A.08, subdivision 2; 271.21, subdivision 6; 272.02, subdivision 1; 273.11, subdivision 1; 273.124, subdivisions 1, 6, 9, and 13; 273.13, subdivisions 22 and 25, as amended; 273.1398, subdivisions 5 and 7; 273.1399; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 5 and 6j; 276.04, subdivision 2; 277.17; 278.01, subdivision 1; 278.05, subdivision 6; 279.01, subdivision 1; 279.03, subdivision 1a; 281.17; 289A.20, subdivisions 1 and 4; 289A.26, subdivisions 1 and 6; 290.01, subdivisions 19 and 19a; 290.06, subdivision 23; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 8; 290.0922, subdivision 1; 290.92, subdivision 23; 290A.04, subdivision 2h; 297A.01, subdivision 3; 297A.135, subdivision 1, and by adding a subdivision; 297A.21, subdivision 4; 297A.25, subdivision 12, as amended; 375.192, subdivision 2; 423A.02, subdivision 1a; and 477A.011, subdivisions 27 and 29; Laws 1971, chapter 773, sections 1, subdivision 2, as amended; and 2, as amended; Laws 1990, chapter 604, article 6, section 11; Laws 1991, chapter 291, articles 1, section 65; 2, section 3; and 7, section 27; proposing coding for new law in Minnesota Statutes, chapters 13; 60A; 207A; 216B; 268; 275; 289A; 290A; 297; 297A; 473F; and 477A; repealing Minnesota Statutes 1990, sections 60A.15, subdivision 6; 134.342, subdivisions 2 and 4; 268.6751, subdivision 2; 289A.12, subdivision 1; 290.48, subdivision 7; 297.32, subdivision 7; and 414.031, subdivision 5; Minnesota Statutes 1991 Supplement, sections 271.04, subdivision 2; 273.124, subdivision 15; 295.367; and 477A.03, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 78 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dawkins	Kalis	Olson, K.	Skoglund
Anderson, R.	Dorn	Kelso	Orenstein	Solberg
Battaglia	Farrell	Kinkel	Orfield	Sparby
Bauerly	Garcia	Krueger	Ostrom	Steensma
Beard	Greenfield	Lasley	Pelowski	Thompson
Begich	Gutknecht	Lieder	Peterson	Trimble
Bertram	Hanson	Lourey	Pugh	Tunheim
Bishop	Hasskamp	Mariani	Reding	Vellenga
Bodahl	Hausman	McEachern	Rest	Wagenius
Boo	Jacobs	McGuire	Rice	Wejcman
Brown	Janezich	Milbert	Rodosovich	Welle
Carlson	Jaros	Munger	Rukavina	Wenzel
Carruthers	Jefferson	Nelson, S.	Sarna	Winter
Clark	Johnson, A.	O'Connor	Schreiber	Spk. Long
Cooper	Johnson, R.	Ogren	Segal	
Dauner	Kahn	Olson, E.	Simoneau	

Those who voted in the negative were:

Abrams	Hartle	Krinkie	Onnen	Swenson
Anderson, R. H.	Haukoos	Leppik	Osthoff	Tompkins
Blatz	Heir	Limmer	Ozment	Uphus
Davids	Henry	Lynch	Pauly	Valento
Dempsey	Hufnagle	Macklin	Pellow	Waltman
Dille	Hugoson	Marsh	Runbeck	Weaver
Erhardt	Jennings	McPherson	Schafer	Welker
Frederick	Johnson, V.	Morrison	Seaberg	
Frerichs	Knickerbocker	Newinski	Smith	
Girard	Koppendrayer	Olsen, S.	Stanius	
Goodno	Krambeer	Omann	Sviggum	

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

SPECIAL ORDERS

Welle moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Welle moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Carruthers moved that the name of Wenzel be added as an author on H. F. No. 2250. The motion prevailed.

Runbeck moved that her name be stricken as an author on H. F. No. 2415. The motion prevailed.

Ogren moved that the name of Jacobs be added as an author on H. F. No. 2940. The motion prevailed.

O'Connor moved that the name of Runbeck be added as an author on H. F. No. 3010. The motion prevailed.

Wenzel moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the negative on Monday, March 30, 1992 on final passage of S. F. No. 1298." The motion prevailed.

Thompson moved that H. F. No. 1893 be returned to its author. The motion prevailed.

Wenzel moved that H. F. No. 1448 be returned to its author. The motion prevailed.

Anderson, R. H., moved that H. F. No. 2606 be returned to its author. The motion prevailed.

Krambeer moved that H. F. No. 2668 be returned to its author. The motion prevailed.

Sviggum moved that H. F. No. 2725 be returned to its author. The motion prevailed.

Dempsey moved that H. F. No. 2726 be returned to its author. The motion prevailed.

Sviggum moved that H. F. No. 2737 be returned to its author. The motion prevailed.

Krambeer moved that H. F. No. 2856 be returned to its author. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1619:

Bishop, Vellenga and Solberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2514:

Peterson, Brown and Knickerbocker.

ADJOURNMENT

Welle moved that when the House adjourns today it adjourn until 12:00 noon, Monday, April 6, 1992. The motion prevailed.

Welle moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Monday, April 6, 1992.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

NINETY-FIRST DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 3, 1992

The Senate met on Friday, April 3, 1992, which was the Ninety-first Legislative Day of the Seventy-seventh Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

NINETY-SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 6, 1992

The House of Representatives convened at 12:00 noon and was called to order by Dee Long, Speaker of the House.

Prayer was offered by the Reverend David W. Mohn, Faith Evangelical Lutheran Church, Waconia, Minnesota.

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

The roll was called and the following members were present:

Abrams	Frederick	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, R.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Girard	Krambeer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Krueger	Orenstein	Steensma
Beard	Gruenes	Lasley	Orfield	Sviggum
Begich	Gutknecht	Leppik	Osthoff	Swenson
Bertram	Hanson	Lieder	Ostrom	Thompson
Bettermann	Hartle	Limmer	Ozment	Tompkins
Bishop	Hasskamp	Lourey	Pauly	Trimble
Blatz	Haukoos	Lynch	Pellow	Tunheim
Bodahl	Hausman	Macklin	Pelowski	Uphus
Boo	Heir	Mariani	Peterson	Valento
Brown	Henry	Marsh	Pugh	Vanasek
Carlson	Hufnagle	McEachern	Reding	Vellenga
Carruthers	Hugoson	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Schreiber	Winter
Dorn	Kahn	Newinski	Seaberg	Spk. Long
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	

A quorum was present.

Jacobs was excused.

The Chief Clerk proceeded to read the Journals of the preceding

days. Anderson, R. H., moved that further reading of the Journals be dispensed with and that the Journals be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 1821 and H. F. No. 1941, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jefferson moved that the rules be so far suspended that S. F. No. 1821 be substituted for H. F. No. 1941 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1935 and H. F. No. 2028, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jefferson moved that the rules be so far suspended that S. F. No. 1935 be substituted for H. F. No. 2028 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2233 and H. F. No. 2282, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rukavina moved that the rules be so far suspended that S. F. No. 2233 be substituted for H. F. No. 2282 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2380 and H. F. No. 2189, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that S. F. No. 2380 be substituted for H. F. No. 2189 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2547 and H. F. No. 2784, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Sarna moved that S. F. No. 2547 be substituted for H. F. No. 2784 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. Nos. 1821, 1935, 2233, 2380 and 2547 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Seaberg introduced:

H. F. No. 3027, A bill for an act relating to uniform laws; enacting uniform land security interest act to regulate real estate security in excess of $500,000; proposing coding for new law as Minnesota Statutes, chapter 506.

The bill was read for the first time and referred to the Committee on Judiciary.

Nelson, S.; Garcia; Dauner; Davids and Bodahl introduced:

H. F. No. 3028, A resolution making application to the Congress of the United States to adopt an amendment to the Constitution of the United States, for submission to the States, to require, with certain exceptions, that the Federal budget be balanced.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Schreiber, Frederick, Uphus, Valento and Lynch introduced:

H. F. No. 3029, A bill for an act relating to taxation; property tax relief; changing the funding and payment of certain aids to local governments; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 16A.711, subdivisions 1, 3, and 4; and

477A.014, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Laws 1991, chapter 291, article 2, section 3.

The bill was read for the first time and referred to the Committee on Taxes.

Henry, Swenson, Koppendrayer, Haukoos and Hugoson introduced:

H. F. No. 3030, A bill for an act relating to taxation; property tax relief; changing the funding and payment of certain aids to local governments; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 16A.711, subdivisions 1, 3, and 4; and 477A.014, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Laws 1991, chapter 291, article 2, section 3.

The bill was read for the first time and referred to the Committee on Taxes.

Girard; Stanius; Johnson, V.; Newinski and Morrison introduced:

H. F. No. 3031, A bill for an act relating to taxation; property tax relief; changing the funding and payment of certain aids to local governments; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 16A.711, subdivisions 1, 3, and 4; and 477A.014, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Laws 1991, chapter 291, article 2, section 3.

The bill was read for the first time and referred to the Committee on Taxes.

Marsh, Erhardt, Waltman, Welker and Pellow introduced:

H. F. No. 3032, A bill for an act relating to taxation; property tax relief; changing the funding and payment of certain aids to local governments; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 16A.711, subdivisions 1, 3, and 4; and 477A.014, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Laws 1991, chapter 291, article 2, section 3.

The bill was read for the first time and referred to the Committee on Taxes.

Krambeer, Heir, Weaver, Frerichs and Smith introduced:

H. F. No. 3033, A bill for an act relating to taxation; property tax relief; changing the funding and payment of certain aids to local governments; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 16A.711, subdivisions 1, 3, and 4; and 477A.014, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Laws 1991, chapter 291, article 2, section 3.

The bill was read for the first time and referred to the Committee on Taxes.

Schafer, Onnen, Uphus, Limmer and Sviggum introduced:

H. F. No. 3034, A bill for an act relating to taxation; property tax relief; changing the funding and payment of certain aids to local governments; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 16A.711, subdivisions 1, 3, and 4; and 477A.014, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Laws 1991, chapter 291, article 2, section 3.

The bill was read for the first time and referred to the Committee on Taxes.

Hasskamp and Wenzel introduced:

H. F. No. 3035, A resolution memorializing the Governor of Minnesota to exercise his authority to allow the city of Brainerd to have local control over the decision to fluoridate its water.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2063, A bill for an act relating to retirement; changing provisions governing reduced annuities from the public employees retirement association due to reemployment of annuitants; amending Minnesota Statutes 1990, section 353.37, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 2137, A bill for an act relating to retirement; the Minnesota state retirement system and the public employees retirement association; making various changes to administration, benefits, and investment practices; amending Minnesota Statutes 1990, sections 352.01, subdivision 2b; 352.029, subdivisions 1 and 2; 352.113, subdivisions 1, 3, 4, and 10; 352.12, subdivision 1; 352.22, subdivision 3; 352D.12; 353.01, subdivision 28; 353.27, subdivision 10; 353.29, subdivision 7; 353.33, subdivisions 1, 6, 6a, and 6b; 353.34, subdivision 2; 353.65, subdivision 1; 353.656, subdivision 5; 353.659; 353.68, subdivision 4; 353A.02, subdivision 12; 353A.04, subdivision 2; 353A.05, subdivision 3; 353A.07, subdivision 3; 353A.08, subdivision 6, and by adding a subdivision; 353A.09, subdivision 1; 353A.10, subdivision 4, and by adding a subdivision; 356.30, subdivision 1; 356.302, subdivision 6; 356.303, subdivision 3; 490.124, subdivision 11; Minnesota Statutes 1991 Supplement, sections 353.01, subdivisions 2b, 16, and 20; 353.27, subdivisions 12 and 12b; 353.31, subdivision 1; 353.32, subdivision 1a; 353.64, subdivision 5a; 353.657, subdivisions 1, 2, and 2a; 353A.03; 353A.06; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.04, subdivision 1; 353D.05, subdivisions 2 and 3; 353D.07, subdivisions 2 and 3; 353D.12, subdivision 1; Laws 1990, chapter 570, article 8, section 14, subdivision 1, as amended; Laws 1991, chapter 269, article 2, section 13; proposing coding for new law in Minnesota Statutes, chapter 353; repealing Minnesota Statutes 1990, sections 352.029, subdivision 4; 353.656, subdivision 7; and 353.71, subdivision 3.

H. F. No. 2369, A bill for an act relating to retirement; authorizing a benefit increase for certain retired police officers and surviving spouses in the city of Thief River Falls.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2707, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land in Mille Lacs county, and the exchange of certain state-owned lands in Aitkin county.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Koppendrayer moved that the House concur in the Senate amendments to H. F. No. 2707 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2707, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land in Mille Lacs county; authorizing an exchange of real property.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Koppendrayer	Olson, K.	Solberg
Anderson, I.	Garcia	Krambeer	Omann	Sparby
Anderson, R.	Girard	Krinkie	Onnen	Stanius
Anderson, R. H.	Goodno	Krueger	Orenstein	Steensma
Battaglia	Greenfield	Lasley	Orfield	Sviggum
Bauerly	Gruenes	Leppik	Osthoff	Swenson
Beard	Gutknecht	Lieder	Ostrom	Thompson
Begich	Hanson	Limmer	Ozment	Tompkins
Bertram	Hartle	Lourey	Pauly	Trimble
Bettermann	Hasskamp	Lynch	Pellow	Tunheim
Blatz	Haukoos	Macklin	Pelowski	Uphus
Bodahl	Hausman	Mariani	Peterson	Valento
Boo	Heir	Marsh	Pugh	Vanasek
Brown	Henry	McEachern	Reding	Vellenga
Carlson	Hufnagle	McGuire	Rest	Wagenius
Carruthers	Hugoson	McPherson	Rice	Waltman
Clark	Janezich	Milbert	Rodosovich	Weaver
Cooper	Jefferson	Morrison	Rukavina	Wejcman
Dauner	Jennings	Munger	Runbeck	Welker
Davids	Johnson, A.	Murphy	Sarna	Welle
Dawkins	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dempsey	Johnson, V.	Nelson, S.	Schreiber	Winter
Dille	Kahn	Newinski	Seaberg	Spk. Long
Dorn	Kalis	O'Connor	Segal	
Erhardt	Kelso	Ogren	Simoneau	
Farrell	Kinkel	Olsen, S.	Skoglund	
Frederick	Knickerbocker	Olson, E.	Smith	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2082, A bill for an act relating to utilities; requiring rules for tracing calls made to a household that has received harassing calls; proposing coding for new law in Minnesota Statutes, chapter 237.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 2082 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2082, A bill for an act relating to utilities; requiring the public utilities commission to adopt rules governing telephone companies' responses to requests for tracing calls made to households that have received harassing calls; proposing coding for new law in Minnesota Statutes, chapter 237.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Hasskamp	Koppendrayer	Munger
Anderson, I.	Davids	Haukoos	Krambeer	Murphy
Anderson, R.	Dawkins	Hausman	Krinkie	Nelson, S.
Anderson, R. H.	Dempsey	Heir	Krueger	Newinski
Battaglia	Dille	Henry	Lasley	O'Connor
Bauerly	Dorn	Hufnagle	Leppik	Olsen, S.
Beard	Erhardt	Hugoson	Lieder	Olson, E.
Begich	Farrell	Janezich	Limmer	Olson, K.
Bertram	Frederick	Jaros	Lourey	Omann
Bettermann	Frerichs	Jefferson	Lynch	Onnen
Blatz	Garcia	Jennings	Macklin	Orenstein
Bodahl	Girard	Johnson, A.	Mariani	Orfield
Boo	Goodno	Johnson, R.	Marsh	Osthoff
Brown	Greenfield	Johnson, V.	McEachern	Ostrom
Carlson	Gruenes	Kahn	McGuire	Ozment
Carruthers	Gutknecht	Kalis	McPherson	Pauly
Clark	Hanson	Kinkel	Milbert	Pellow
Cooper	Hartle	Knickerbocker	Morrison	Pelowski

Peterson	Sarna	Solberg	Trimble	Wejcman
Pugh	Schafer	Sparby	Tunheim	Welker
Reding	Schreiber	Stanius	Uphus	Welle
Rest	Seaberg	Steensma	Valento	Wenzel
Rice	Segal	Sviggum	Vanasek	Winter
Rodosovich	Simoneau	Swenson	Wagenius	Spk. Long
Rukavina	Skoglund	Thompson	Waltman	
Runbeck	Smith	Tompkins	Weaver	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 522, 1230, 1590, 651, 1856, 1993 and 2510.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2137, 2523, 2556, 2599, 2017, 2196, 304, 2194 and 2236.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 522, A bill for an act relating to game and fish; specifying allowed methods for taking fish in certain designated trout streams; proposing coding for new law in Minnesota Statutes, chapter 97C.

The bill was read for the first time.

Reding moved that S. F. No. 522 and H. F. No. 905, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1230, A bill for an act relating to retirement; volunteer firefighters relief associations; increasing service pension maximums; establishing a fire state aid maximum apportionment; providing penalties for noncompliance with service pension maximums; specifying duties for the state auditor; ratifying certain prior nonconforming lump sum service pension payments; continuing certain nonconforming lump sum service pension amounts in force; modify-

ing certain investment performance calculations; modifying certain local volunteer firefighters relief association provisions; amending Minnesota Statutes 1990, sections 11A.04; 356.218, subdivisions 2 and 3; and 424A.02, subdivisions 1, 3, and by adding a subdivision; Laws 1971, chapter 140, section 5, as amended; proposing coding for new law in Minnesota Statutes, chapter 69.

The bill was read for the first time.

Reding moved that S. F. No. 1230 and H. F. No. 1334, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1590, A bill for an act relating to unemployment compensation; pertaining to treatment of American Indian tribal governments as employers for purposes of unemployment compensation insurance payments; amending Minnesota Statutes 1990, section 268.06, by adding a subdivision.

The bill was read for the first time.

Tunheim moved that S. F. No. 1590 and H. F. No. 2360, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 651, A bill for an act relating to insurance; regulating utilization review services; providing standards and procedures; regulating appeals of determinations not to certify; regulating prior authorization of services; prescribing staff and program qualifications; proposing coding for new law as Minnesota Statutes, chapter 62M.

The bill was read for the first time.

Orenstein moved that S. F. No. 651 and H. F. No. 802, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1856, A bill for an act relating to real property; abolishing issuance of duplicate certificates of title and duplicate CPTs for use by lessees and mortgagees of registered land; providing for mortgage satisfaction or release by fewer than all mortgagees; regulating various notice, hearing, and other procedures and requirements for foreclosures and other involuntary transfers of real property; providing for new certificates of title or CPT to be issued for registered land adjoining a vacated street or alley; providing that purchase money mortgages are subject to rights or interest of nonmortgaging spouse; providing that marital property interest of nontitled spouse

is not subject to levy, judgments, or tax liens; clarifying provisions relating to notice of termination of contract for deed; changing certain dates relating to validation of mortgage foreclosures; amending Minnesota Statutes 1990, sections 507.03; 508.44, subdivision 2; 508.45; 508.55; 508.56; 508.57; 508.58; 508.59; 508.67; 508.71, subdivision 6; 508.73; 508.835; 508A.11, subdivision 3; 508A.44, subdivision 2; 508A.45; 508A.55; 508A.56; 508A.57; 508A.58; 508A.59; 508A.71, subdivision 6; 508A.73; 508A.835; 508A.85, subdivision 3; 514.08, subdivision 2; 518.54, subdivision 5; 559.21, subdivisions 2a and 3; 580.15; 582.01, by adding a subdivision; and 582.27; Minnesota Statutes 1991 Supplement, sections 508.82; and 508A.82; proposing coding for new law in Minnesota Statutes, chapters 507; and 580.

The bill was read for the first time.

Pugh moved that S. F. No. 1856 and H. F. No. 1938, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1993, A bill for an act relating to transportation; directing the regional transit board to establish a program to reduce traffic congestion; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; 169.19, subdivision 1; and 216C.15, subdivision 1; Minnesota Statutes 1991 Supplement, section 169.346, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 169; and 473.

The bill was read for the first time.

Johnson, A., moved that S. F. No. 1993 and H. F. No. 2219, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2510, A bill for an act relating to transportation; providing procedures for design, approval, and construction of light rail transit; establishing corridor management committee; providing for resolution of disputes; changing membership and responsibilities of the light rail transit joint powers board; amending Minnesota Statutes 1990, sections 174.32, subdivision 2; 473.167, subdivision 1; 473.399, subdivision 1; 473.3994, subdivisions 2, 3, 4, 5, 6, 7, and by adding subdivisions; 473.3996; 473.4051; Minnesota Statutes 1991 Supplement, sections 473.3997; and 473.3998; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1990, sections 473.399, subdivisions 2 and 3; 473.3991; and Laws 1991, chapter 291, article 4, section 20.

The bill was read for the first time.

Simoneau moved that S. F. No. 2510 and H. F. No. 2510, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2137, A bill for an act relating to nursing homes; defining a residential hospice facility; modifying hospice program conditions; limiting the number of residential hospice facilities; requiring a report; amending Minnesota Statutes 1990, section 144A.48, subdivision 1, and by adding a subdivision.

The bill was read for the first time.

Greenfield moved that S. F. No. 2137 and H. F. No. 2696, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2523, A bill for an act relating to human services; providing for HIV minimum standards; providing for HIV training in chemical dependency treatment programs; expanding exclusion from licensure; providing for integration of residential programs; delegating authority to enforce uniform fire code; setting adult foster care license capacity; regulating case management for persons with mental retardation or related conditions; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; 245A.07, subdivisions 2 and 3; 245A.11, subdivisions 2, 3, 4, and by adding subdivisions; 299F.011, subdivision 4a; Minnesota Statutes 1991 Supplement, sections 245A.03, subdivision 2; 245A.04, subdivision 3; 245A.16, subdivision 1; and 256B.092, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1990, sections 245A.11, subdivision 5; 245A.14, subdivision 5; and 245A.17.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 2556, A bill for an act relating to education; including in the PER policy a procedure for parents to review the content of instructional materials; entitling the PER report the "Annual Report on Curriculum and Student Performances"; including in the PER report information about curriculum advisory committee membership; amending Minnesota Statutes 1990, section 126.666, subdivisions 1 and 4.

The bill was read for the first time.

Lynch moved that S. F. No. 2556 and H. F. No. 2318, now on

General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2599, A bill for an act relating to retirement; Columbia Heights paid firefighters and police relief associations; authorizing the termination of the firefighters relief association; providing a procedure for the conversion of retirement benefits for the active and retired membership; continuing certain state aid payments; exclusions from salary in computing police relief association retirement benefits; amending Laws 1965, chapter 605, sections 5, 16, 18 and 31; Laws 1975, chapter 424, section 13; and Laws 1977, chapter 374, sections 8, subdivision 1, 39, 40, 45, 47, 49, 51, as amended, and 54; repealing Laws 1965, chapter 605, sections 1, 2, 4, 5, 7, 8, 9, 10, 11, 13, 14, 15, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, and 30; Laws 1975, chapter 424, sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, and 12; Laws 1977, chapter 374, sections 38, 48, 52, 53, 56, 57, 58, and 59; Laws 1978, chapter 563, sections 29 and 30; Laws 1979, chapter 201, section 40; and Laws 1981, chapter 224, section 267.

The bill was read for the first time.

Simoneau moved that S. F. No. 2599 and H. F. No. 2754, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2017, A bill for an act relating to utilities; defining the term excavation; authorizing land surveyors to receive location information related to underground facilities; requiring notice of land surveys; clarifying authority of commission to reinstate original rate for a telephone service subject to emerging competition on finding proposed rate is below incremental cost or is not just and reasonable; requiring commission to make final decision within 180 days on rate increase of telephone service subject to effective competition, when contested case hearing is not held; providing for telephone company promotion activities; authorizing the recording of monuments on plats before actual placement; amending Minnesota Statutes 1990, sections 216D.01, subdivision 8, and by adding subdivisions; 216D.04; 237.60, subdivision 2; 465.79, subdivisions 2 and 4; 505.02, subdivision 1; and 505.03, subdivision 1; Minnesota Statutes 1991 Supplement, 216D.01, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 237.

The bill was read for the first time.

O'Connor moved that S. F. No. 2017 and H. F. No. 1943, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2196, A bill for an act relating to human services; providing for notice to vendors when payments on behalf of a recipient will be reduced or terminated; limiting the liability of the state and county for damages claimed by vendors due to failure of a recipient to pay for rent, goods, or services; amending Minnesota Statutes 1990, section 256.81.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 304, A bill for an act relating to commerce; authorizing local units of government to license the retail sale of tobacco; requiring a county to license the retail sale of tobacco under certain conditions; providing for mandatory suspension of licenses for sales to minors; amending Minnesota Statutes 1990, sections 461.12; 461.13; and 461.15; proposing coding for new law in Minnesota Statutes, chapter 461.

The bill was read for the first time.

Thompson moved that S. F. No. 304 and H. F. No. 487, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2194, A bill for an act relating to governmental operations; authorizing two additional deputies in the state auditor's office; setting conditions for certain state laws; regulating payments; fixing local accounting procedures; prohibiting the use of pictures of elected officials for certain local government purposes; providing for investments and uses of public facilities; requiring that airline travel credit accrue to the issuing body; amending Minnesota Statutes 1990, sections 6.02; 11A.24, subdivision 6; 13.76, by adding a subdivision; 15A.082, by adding a subdivision; 367.36, subdivision 1; 412.222; 471.49, by adding a subdivision; 471.66; 471.68, by adding a subdivision; 471.696; 471.697; 477A.017, subdivision 2; and 609.415, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 279; and 609; repealing Minnesota Statutes 1991 Supplement, section 128B.10, subdivision 2.

The bill was read for the first time.

Pugh moved that S. F. No. 2194 and H. F. No. 2404, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2236, A bill for an act relating to state government; changing the definition of a meeting of the legislature for purposes of the open meeting law; imposing standards and requirements of

accountability on organizations and agencies established by law, executive order, or action of a political subdivision acting alone or jointly with another political subdivision; amending Minnesota Statutes 1990, section 3.055, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 471.

The bill was read for the first time.

Rest moved that S. F. No. 2236 and H. F. No. 2343, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Welle moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1849, A bill for an act relating to crime; increasing penalties for repeat sex offenders; providing for life imprisonment for certain repeat sex offenders; providing for life imprisonment without parole for certain persons convicted of first degree murder; increasing penalties for other violent crimes and crimes committed against children; increasing supervision of sex offenders; eliminating the "good time" reduction in prison sentences; allowing the extension of prison terms for disciplinary violations in prison; authorizing the imposition of fees for local correctional services on offenders; requiring the imposition of minimum fines on convicted offenders; requiring certain convicted offenders to submit to HIV testing; expanding certain crime victim rights; providing programs for victim-offender mediation; enhancing protection of domestic abuse victims; authorizing secure confinement of dangerous juvenile offenders; creating a presumption in favor of joint trials for felony defendants; creating a civil cause of action for minors used in a

sexual performance; authorizing the issuance of state bonds to provide a secure unit for dangerous juvenile offenders at the Red Wing correctional facility; appropriating money; amending Minnesota Statutes 1990, sections 13.87, subdivision 2; 135A.15; 241.67, subdivisions 3, 6, and by adding a subdivision; 242.19, subdivision 2; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 259.11; 260.155, subdivision 1, and by adding a subdivision; 260.181, by adding a subdivision; 260.185, subdivisions 1 and 4; 260.311, by adding a subdivision; 270A.03, subdivision 5; 332.51, subdivisions 1 and 5; 401.02, subdivision 4; 485.018, subdivision 5; 518B.01, subdivision 13; 546.27, subdivision 1; 595.02, subdivision 4; 609.02, by adding a subdivision; 609.10; 609.101, by adding a subdivision; 609.115, subdivision 1a; 609.125; 609.135, subdivision 5, and by adding subdivisions; 609.1352, subdivision 5; 609.152, subdivisions 2 and 3; 609.184, subdivision 2; 609.19; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.322; 609.323; 609.342; 609.343; 609.344, subdivisions 1 and 3; 609.345, subdivisions 1 and 3; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.3471; 609.378, subdivision 1; 609.605, by adding a subdivision; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 626.861, subdivision 3; 629.72, by adding a subdivision; 630.36, subdivision 1, and by adding a subdivision; and 631.035; Minnesota Statutes 1991 Supplement, sections 8.15; 243.166, subdivisions 1, 2, and 3; 244.05, subdivision 6; 244.12, subdivision 3; 518B.01, subdivisions 3a and 14; 609.135, subdivision 2; and 626.861, subdivisions 1 and 4; Laws 1991, chapter 232, section 5; proposing coding for new law in Minnesota Statutes, chapters 62A; 169; 244; 256F; 609; 611A; 617; and 629.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

SEX OFFENDERS

Section 1. Minnesota Statutes 1990, section 241.67, subdivision 3, is amended to read:

Subd. 3. [PROGRAMS FOR ADULT OFFENDERS COMMITTED TO THE COMMISSIONER.] (a) The commissioner shall provide for a range of sex offender ~~treatment~~ programs, including intensive sex offender ~~treatment~~ programs, within the state adult correctional facility system. Participation in any ~~treatment~~ program is ~~voluntary and~~ is subject to the rules and regulations of the department of corrections. Nothing in this section requires the commissioner to accept or retain an offender in a ~~treatment~~ program if the offender is determined by prison professionals as unamenable to programming

within the prison system or if the offender refuses or fails to comply with the program's requirements. Nothing in this section creates a right of an offender to treatment.

(b) The commissioner shall provide for residential and outpatient sex offender ~~treatment~~ programming and aftercare when required for conditional release under section 609.1352 or as a condition of supervised release.

Sec. 2. Minnesota Statutes 1990, section 241.67, is amended by adding a subdivision to read:

Subd. 4a. [FUNDING PRIORITY; PROGRAM EFFECTIVENESS.] (a) Unless otherwise directed by the terms of a particular appropriations provision, the commissioner shall give priority to the funding of juvenile sex offender programs over the funding of adult sex offender programs.

(b) Every county or private sex offender program that seeks new or continued state funding or reimbursement shall provide the commissioner with any information relating to the program's effectiveness that the commissioner considers necessary. The commissioner shall deny state funding or reimbursement to any county or private program that fails to provide this information or that appears to be an ineffective program.

Sec. 3. Minnesota Statutes 1990, section 241.67, subdivision 6, is amended to read:

Subd. 6. [SPECIALIZED CORRECTIONS AGENTS AND PROBATION OFFICERS; SEX OFFENDER SUPERVISION.] ~~By January 1, 1990,~~ The commissioner of corrections shall develop in-service training for state and local corrections agents and probation officers who supervise adult and juvenile sex offenders on probation or supervised release. The commissioner shall make the training available to all current and future corrections agents and probation officers who supervise or will supervise sex offenders on probation or supervised release.

~~After January 1, 1991,~~ A state or local corrections agent or probation officer may not supervise adult or juvenile sex offenders on probation or supervised release unless the agent or officer has completed the in-service sex offender supervision training. The commissioner may waive this requirement if the corrections agent or probation officer has completed equivalent training as part of a post-secondary educational curriculum.

~~After January 1, 1991,~~ When an adult sex offender is placed on supervised release or is sentenced to probationary supervision, and when a juvenile offender is found delinquent by the juvenile court for

a sex offense and placed on probation or is paroled from a juvenile correctional facility, a corrections agent or probation officer may not be assigned to the offender unless the agent or officer has completed the in-service sex offender supervision training.

Sec. 4. Minnesota Statutes 1990, section 242.195, subdivision 1, is amended to read:

Subdivision 1. [~~TREATMENT~~ SEX OFFENDER PROGRAMS.] The commissioner of corrections shall provide for a range of sex offender ~~treatment~~ programs, including intensive sex offender ~~treatment~~ programs, for juveniles within state juvenile correctional facilities and through purchase of service from county and private residential and outpatient juvenile sex offender ~~treatment~~ programs. The commissioner shall establish and operate a juvenile sex offender program at one of the state juvenile correctional facilities.

Sec. 5. Minnesota Statutes 1991 Supplement, section 243.166, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION REQUIRED.] A person shall comply with this section after being released from prison if:

(1) the person was sentenced to imprisonment following a conviction for kidnapping under section 609.25, criminal sexual conduct under section 609.342, 609.343, 609.344, or 609.345, solicitation of children to engage in sexual conduct under section 609.352, use of minors in a sexual performance under section 617.246, or solicitation of children to practice prostitution under section 609.322~~, and the offense was committed against a victim who was a minor~~;

(2) the person is not now required to register under section 243.165; and

(3) ten years have not yet elapsed since the person was released from imprisonment.

Sec. 6. Minnesota Statutes 1991 Supplement, section 243.166, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] When a person who is required to register under this section is released, the commissioner of corrections shall tell the person of the duty to register under section 243.165 and this section. The commissioner shall require the person to read and sign a form stating that the duty of the person to register under this section has been explained. The commissioner shall obtain the address where the person ~~expects to~~ will reside upon release and shall report within three days the address to the bureau of criminal apprehension. The commissioner shall give one copy of the form to the person, and shall send one copy to the bureau of criminal

apprehension and one copy to the appropriate law enforcement agency having local jurisdiction where the person expects to reside upon release.

Sec. 7. Minnesota Statutes 1991 Supplement, section 243.166, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION PROCEDURE.] (a) The person shall, ~~within 14 days after~~ before the end of the term of supervised release, register with the probation officer assigned to the person at the end of that term.

(b) If the person changes residence address, the person shall give the new address to the last assigned probation officer in writing within ten days. The probation officer shall, within three days after receipt of this information, forward it to the bureau of criminal apprehension.

Sec. 8. Minnesota Statutes 1990, section 244.05, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS FOR VIOLATION.] If an inmate violates the conditions of the inmate's supervised release imposed by the commissioner, the commissioner may:

(1) continue the inmate's supervised release term, with or without modifying or enlarging the conditions imposed on the inmate; or

(2) revoke the inmate's supervised release and reimprison the inmate for the appropriate period of time.

The period of time for which a supervised release may be revoked may not exceed the period of time remaining in the inmate's sentence, except that ~~for~~ if a sex offender is sentenced and conditionally released under section 609.1352, subdivision 5, the period of time for which conditional release may be revoked may not exceed the balance of the ~~original sentence imposed less good time earned under section 244.04, subdivision 1~~ conditional release term.

Sec. 9. Minnesota Statutes 1990, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence under section 609.184 must not be given supervised release under this section. An inmate serving a mandatory life sentence ~~for conviction of murder in the first degree~~ under section 609.185, clause (1), (3), (4), (5), or (6), or 609.346, subdivision 2a, must not be given supervised release under this section without having served a minimum term of 30 years. An inmate serving a mandatory life sentence under section 609.385

must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

Sec. 10. Minnesota Statutes 1990, section 244.05, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, clause (1), (3), (4), (5), or (6), 609.346, subdivision 2a, or 609.385 after the inmate has served the minimum term of imprisonment specified in subdivision 4.

Sec. 11. Minnesota Statutes 1991 Supplement, section 244.05, subdivision 6, is amended to read:

Subd. 6. [INTENSIVE SUPERVISED RELEASE.] The commissioner may order that an inmate be placed on intensive supervised release for all or part of the inmate's supervised release or parole term if the commissioner determines that the action will further the goals described in section 244.14, subdivision 1, clauses (2), (3), and (4). In addition, the commissioner may order that an inmate be placed on intensive supervised release for all of the inmate's conditional or supervised release term if the inmate was convicted of a sex offense under sections 609.342 to 609.345 or was sentenced under the provisions of section 609.1352. The commissioner may impose appropriate conditions of release on the inmate including but not limited to unannounced searches of the inmate's person, vehicle, or premises by an intensive supervision agent; compliance with court-ordered restitution, if any; random drug testing; house arrest; daily curfews; frequent face-to-face contacts with an assigned intensive supervision agent; work, education, or treatment requirements; and electronic surveillance. In addition, any sex offender placed on intensive supervised release may be ordered to participate in an appropriate sex offender treatment program as a condition of release. If the inmate violates the conditions of the intensive supervised release, the commissioner shall impose sanctions as provided in subdivision 3 and section 609.1352.

Sec. 12. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 7. [SEX OFFENDERS; CIVIL COMMITMENT DETERMINATION.] Before the commissioner releases from prison any inmate convicted of a sex offense under sections 609.342 to 609.345 or sentenced as a patterned sex offender, as defined in section 609.1352, the commissioner shall make a preliminary determination whether, in the commissioner's opinion, a petition under section 526.10 may be appropriate. If the commissioner determines that a petition may be appropriate, the commissioner shall forward this determination,

along with supporting documentation, to the county attorney in the county where the inmate was convicted. Upon receiving the commissioner's preliminary determination, the county attorney shall proceed in the manner provided in section 526.10.

Sec. 13. Minnesota Statutes 1991 Supplement, section 244.12, subdivision 3, is amended to read:

Subd. 3. [OFFENDERS NOT ELIGIBLE.] The following are not eligible to be placed on intensive community supervision, under subdivision 2, clause (2):

(1) offenders who were committed to the commissioner's custody under a statutory mandatory minimum sentence;

(2) offenders who were committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct ~~in the first or second degree~~, or criminal vehicular homicide or operation resulting in death; and

(3) offenders whose presence in the community would present a danger to public safety.

Sec. 14. Minnesota Statutes 1990, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for the child's conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) a child placing agency; or

(2) the county welfare board; or

(3) a reputable individual of good moral character. No person may

receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245A.01 to 245A.16; or

(4) a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to $700; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

If the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342, 609.343, 609.344, ~~or~~ 609.345, 609.3451, 609.746, subdivision 1, 609.79, or 617.23, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If the assessment indicates that the child is in need of and amenable to sex offender

treatment, the court shall include in its disposition order a requirement that the child undergo treatment.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) why the best interests of the child are served by the disposition ordered; and

(b) what alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

Sec. 15. Minnesota Statutes 1990, section 609.115, subdivision 1a, is amended to read:

Subd. 1a. [CONTENTS OF WORKSHEET.] The supreme court shall promulgate rules uniformly applicable to all district courts for the form and contents of sentencing worksheets. ~~These rules shall be promulgated by and effective on January 2, 1982.~~ The sentencing worksheet shall include a section requiring the sentencing court to indicate whether, in the court's opinion, a petition under section 526.10 may be appropriate, as provided in section 609.1351.

Sec. 16. Minnesota Statutes 1991 Supplement, section 609.135, subdivision 2, is amended to read:

Subd. 2. (a) If the conviction is for a felony the stay shall be for not more than three years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor the stay shall be for not more than two years.

(c) If the conviction is for any misdemeanor under section 169.121, 609.746, subdivision 1, 609.79, or 617.23, or for a misdemeanor under section 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(d) If the conviction is for a misdemeanor not specified in paragraph (c), the stay shall be for not more than one year.

(e) The defendant shall be discharged when the stay expires, unless the stay has been revoked or extended under paragraph (f), or the defendant has already been discharged.

(f) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (e), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Sec. 17. Minnesota Statutes 1990, section 609.135, is amended by adding a subdivision to read:

Subd. 5a. [SEX OFFENDERS; REQUIRED TREATMENT.] If a person is convicted of violating section 609.342, 609.343, 609.344, or 609.345, and is ordered to attend a treatment program as a condition of probation, the court shall require the treatment program director to report on a regular basis to the person's assigned probation officer concerning the person's progress toward successful completion of the treatment program.

Sec. 18. Minnesota Statutes 1990, section 609.1352, subdivision 1, is amended to read:

Subdivision 1. [SENTENCING AUTHORITY.] A court may sentence a person to a term of imprisonment of not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, to a term of imprisonment equal to the statutory maximum, if:

(1) the court is imposing an executed sentence, based on a sentencing guidelines presumptive imprisonment sentence or a dispositional departure for aggravating circumstances or a mandatory minimum sentence, on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, or 609.345, or on a person convicted of committing or attempting to commit any other crime listed in subdivision 2 if it reasonably appears to the court that the crime was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal;

(2) the court finds that the offender is a danger to public safety; and

(3) the court finds that the offender needs long-term treatment or supervision beyond the presumptive term of imprisonment and supervised release. The finding must be based on a professional assessment by an examiner experienced in evaluating sex offenders that concludes that the offender is a patterned sex offender. The assessment must contain the facts upon which the conclusion is based, with reference to the offense history of the offender or the severity of the current offense, the social history of the offender, and the results of an examination of the offender's mental status unless the offender refuses to be examined. The conclusion may not be based on testing alone. A patterned sex offender is one whose criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term controls.

Sec. 19. Minnesota Statutes 1990, section 609.1352, subdivision 5, is amended to read:

Subd. 5. [CONDITIONAL RELEASE.] At the time of sentencing under subdivision 1, the court ~~may~~ shall provide that after the offender has completed ~~one-half of~~ the ~~full pronounced~~ sentence imposed, ~~without regard to~~ less any good time earned by the offender, the commissioner of corrections ~~may~~ shall place the offender on conditional release for the remainder of the statutory maximum period or for ten years, whichever is longer~~, if the commissioner finds that:~~

~~(1) the offender is amenable to treatment and has made sufficient progress in a sex offender treatment program available in prison to be released to a sex offender treatment program operated by the department of human services or a community sex offender treatment and reentry program; and~~

~~(2) the offender has been accepted in a program approved by the commissioner that provides treatment, aftercare, and phased reentry into the community~~.

The conditions of release ~~must~~ may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. Before the offender is released, the commissioner shall notify the sentencing court, the prosecutor in the jurisdiction where the offender was sentenced and the victim of the offender's crime, where available, of the terms of the offender's conditional release. ~~Release may be revoked and the stayed sentence executed in its entirety less good time~~ If the offender fails to meet any condition of release, the commissioner may revoke the offender's

conditional release and require the offender to serve the remaining portion of the conditional release term in prison. The commissioner shall not dismiss the offender from supervision before the ~~sentence~~ conditional release term expires.

Conditional release granted under this subdivision is governed by provisions relating to supervised release, except as otherwise provided in this subdivision, section 244.04, subdivision 1, or 244.05.

Sec. 20. Minnesota Statutes 1990, section 609.184, subdivision 2, is amended to read:

Subd. 2. [LIFE WITHOUT RELEASE.] The court shall sentence a person to life imprisonment without possibility of release ~~when~~ under the following circumstances:

(1) the person is convicted of first degree murder under section 609.185, clause (2);

(2) the person is convicted of first degree murder under section 609.185, clause (1), (3), (4), (5), or (6), and the court determines on the record at the time of sentencing that the person dismembered the victim's body before the victim's death; or

(3) the person is convicted of first degree murder under section 609.185, clause (1), (3), (4), (5), or (6), and the court determines on the record at the time of sentencing that the person has one or more previous convictions for a heinous crime.

Sec. 21. Minnesota Statutes 1990, section 609.342, is amended to read:

609.342 [CRIMINAL SEXUAL CONDUCT IN THE FIRST DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the first degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the

complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish sexual penetration; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) an accomplice uses force or coercion to cause the complainant to submit; or

(ii) an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

~~(iii) circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

~~(iv)~~ the complainant suffered personal injury; or

~~(v)~~ (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Subd. 2. [PENALTY.] Except as otherwise provided in section 609.346, subdivision 2a or 2b, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than ~~25~~ 30 years or to a payment of a fine of not more than $40,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (g), and the person is the complainant's parent, stepparent, or sibling, the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; ~~and~~

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 22. Minnesota Statutes 1990, section 609.343, is amended to read:

609.343 [CRIMINAL SEXUAL CONDUCT IN THE SECOND DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual contact with another person is guilty of criminal sexual

conduct in the second degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the dangerous weapon to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish the sexual contact; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) an accomplice uses force or coercion to cause the complainant to submit; or

(ii) an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

~~(iii) circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

~~(iv)~~ the complainant suffered personal injury; or

~~(v)~~ (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Subd. 2. [PENALTY.] Except as otherwise provided in section 609.346, subdivision 2a or 2b, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than ~~20~~ 25 years or to a payment of a fine of not more than $35,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (g), and the person is the complainant's parent, stepparent, or sibling, the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; ~~and~~

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 23. Minnesota Statutes 1990, section 609.344, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor believes the complainant to be 16 years of age or older. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, the actor may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense;

(c) the actor uses force or coercion to accomplish the penetration;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

~~(iii) circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

~~(iv)~~ the complainant suffered personal injury; or

~~(v)~~ (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred during the psychotherapy session. Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a patient or former patient of the psychotherapist and the patient or former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense; or

(k) the actor accomplishes the sexual penetration by means of false representation that the penetration is for a bona fide medical purpose by a health care professional. Consent by the complainant is not a defense.

Sec. 24. Minnesota Statutes 1990, section 609.344, subdivision 3, is amended to read:

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (f), and the person is the complainant's parent, stepparent, or sibling, the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; ~~and~~

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 25. Minnesota Statutes 1990, section 609.345, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a position of authority over the complainant and uses this authority to cause the complainant to submit. In any such case, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor believes the complainant to be 16 years of age or older;

(c) the actor uses force or coercion to accomplish the sexual contact;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time

of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

~~(iii) circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

~~(iv)~~ the complainant suffered personal injury; or

~~(v)~~ (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual contact occurred during the psychotherapy session. Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a patient or former patient of the psychotherapist and the patient or former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual contact occurred by means of therapeutic deception. Consent by the complainant is not a defense; or

(k) the actor accomplishes the sexual contact by means of false representation that the contact is for a bona fide medical purpose by a health care professional. Consent by the complainant is not a defense.

Sec. 26. Minnesota Statutes 1990, section 609.345, subdivision 3, is amended to read:

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause

(f), and the person is the complainant's parent, stepparent, or sibling, the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; ~~and~~

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 27. Minnesota Statutes 1990, section 609.346, subdivision 2, is amended to read:

Subd. 2. [SUBSEQUENT SEX OFFENSE; PENALTY.] Except as provided in subdivision 2a or 2b, if a person is convicted under sections 609.342 to 609.345, within 15 years of a previous sex offense conviction, the court shall commit the defendant to the commissioner of corrections for imprisonment for a term of not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12 and 609.135. The court may stay the execution of the sentence imposed under this subdivision only if it finds that: (1) the offender had been placed on probation for the previous sex offense, but had not been ordered to participate in a sex offender treatment program as a condition of that probation; and (2) a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation: (1) incarceration in a local jail or workhouse; and (2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

Sec. 28. Minnesota Statutes 1990, section 609.346, subdivision 2a, is amended to read:

Subd. 2a. [~~MAXIMUM~~ MANDATORY LIFE SENTENCE ~~IM-~~

~~POSED.~~] (a) The court shall sentence a person to ~~a term of~~ imprisonment ~~of 37 years~~ for life, notwithstanding the statutory maximum sentences under sections 609.342 and 609.343 if:

(1) the person is convicted under section 609.342 ~~or 609.343;~~ and the court determines on the record at the time of sentencing that the person has a previous sex offense conviction under section 609.342 for an offense committed on or after August 1, 1989; or

(2) the person is convicted under section 609.342 or 609.343 and the court determines on the record at the time of sentencing that either:

(i) the person has previously been sentenced under section 609.1352; or

(ii) the person has two previous sex offense convictions under section 609.342, 609.343, or 609.344, at least one of which is for an offense committed on or after August 1, 1989.

(b) Notwithstanding sections 609.342, subdivision 3; and 609.343, subdivision 3; and subdivision 2, the court may not stay imposition of the sentence required by this subdivision.

Sec. 29. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 2b. [MANDATORY 30-YEAR SENTENCE.] (a) Except as otherwise provided in subdivision 2a, the court shall sentence a person to a term of 30 years, notwithstanding the statutory maximum sentence under section 609.343, if:

(1) the person is convicted under section 609.342, subdivision 1, clause (c), (d), (e), (f), or (h); or section 609.343, subdivision 1, clause (c), (d), (e), (f), or (h); and

(2) the court determines on the record at the time of sentencing that:

(i) the crime involved an aggravating factor that would provide grounds for an upward departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions; and

(ii) the person has a previous sex offense conviction under section 609.342, 609.343, or 609.344.

(b) Notwithstanding sections 609.342, subdivision 3; and 609.343, subdivision 3; and subdivision 2, the court may not stay imposition of the sentence required by this subdivision.

Sec. 30. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 4. [SUPERVISED RELEASE OF SEX OFFENDERS.] (a) Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, and except as otherwise provided in section 609.1352 or subdivision 2a, any person who is sentenced to prison for a violation of section 609.342, 609.343, 609.344, or 609.345 must be sentenced to serve a supervised release term of not less than five years.

(b) The commissioner of corrections shall set the level of supervision for offenders subject to this section based on the public risk presented by the offender.

Sec. 31. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 5. [SEX OFFENDER ASSESSMENT.] When a person is convicted of a violation of section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.746, subdivision 1, 609.79, or 617.23, the court shall order an independent professional assessment of the offender's need for sex offender treatment. An assessor providing an assessment for the court must be experienced in the evaluation and treatment of sex offenders. If the assessment indicates that the offender is in need of and amenable to sex offender treatment, the court shall include in the sentence a requirement that the offender undergo treatment.

Sec. 32. Minnesota Statutes 1990, section 609.3471, is amended to read:

609.3471 [RECORDS PERTAINING TO VICTIM IDENTITY CONFIDENTIAL.]

Notwithstanding any provision of law to the contrary, no data contained in records or reports relating to petitions, complaints, or indictments issued pursuant to section 609.342, ~~clause (a), (b), (g), or (h); 609.343, clause (a), (b), (g), or (h);~~ 609.344, ~~clause (a), (b), (c), (f), or (g);~~ or 609.345, ~~clause (a), (b), (c), (f), or (g)~~ which specifically identifies ~~the~~ a victim who is a minor shall be accessible to the public, except by order of the court. Nothing in this section authorizes denial of access to any other data contained in the records or reports, including the identity of the defendant.

Sec. 33. [INSTITUTE OF PEDIATRIC SEXUAL HEALTH.]

Subdivision 1. [PLANNING.] The commissioner of health, in cooperation with the director of strategic and long-range planning, shall, by September 1, 1992, convene an interdisciplinary committee

to plan for an institute of sexual health to serve youth and children. Members of the committee shall be appointed by the governor and shall include expert professionals from the fields of medicine, psychiatry, psychology, education, sociology, and other relevant disciplines. The committee shall also include representatives of community agencies that work in the areas of health, religion, and corrections.

Subd. 2. [PURPOSE.] The purpose of the institute is the diagnosis and treatment of, and research and education relating to, the etiology and prevention of sexual dysfunctions and the medical, psychological, and relational conditions that affect the sexual health of the child, the adolescent, and the family, including those of a violent nature. The institute will focus on the early detection of potentially sexually violent behavior and disorders of sexual functioning. The institute will provide clinical, programmatic, and staff training support for the residential treatment program and will coordinate educational programs. The institute will be a resource for medical, mental health, and juvenile justice programs in the state.

Subd. 3. [CLINICAL STAFF.] The institute will provide clinical staff including professionals in genetics, reproductive biology, molecular biology, endocrinology, brain science, ethology, psychology, sociology, and cultural anthropology.

Subd. 4. [TREATMENT PROGRAMS.] The institute will be designed to offer a wide variety of diagnostic and treatment services, as determined by the planning committee.

Subd. 5. [ANCILLARY SERVICES.] The institute will include a research center that will provide facilities, a library, and educational services supporting and encouraging research on all aspects of pediatric and youth sexology including those factors contributing to sexually violent behavior. The institute will fund visiting scholars and establish and maintain international collaborative working relationships with other related professional institutes and organizations and sponsor an annual symposium on pediatric, youth, and family sexology.

Subd. 6. [REPORT.] By February 1, 1993, the commissioner of health shall submit to the legislature a plan for establishment of an institute to promote the sexual health of youth and children. The plan shall include recommendations for siting and funding the institute.

Sec. 34. [EFFECTIVE DATE.]

Sections 5 to 7 are effective August 1, 1992, and apply to persons released from prison on or after that date. Sections 8 to 10 and 16 to 32 are effective August 1, 1992, and apply to crimes committed on or after that date. Section 14 is effective August 1, 1992, and applies to

juveniles adjudicated delinquent on or after that date. The court shall consider convictions occurring before August 1, 1992, as previous convictions in sentencing offenders under sections 28 and 29.

ARTICLE 2

SENTENCING

Section 1. Minnesota Statutes 1990, section 244.01, subdivision 8, is amended to read:

Subd. 8. "Term of imprisonment," as applied to inmates whose crimes were committed before December 31, 1993, is the period of time to which an inmate is committed to the custody of the commissioner of corrections minus earned good time. "Term of imprisonment," as applied to inmates whose crimes were committed on or after December 31, 1993, is the period of time which an inmate is ordered to serve in prison by the sentencing court, plus any disciplinary confinement period imposed by the commissioner under section 244.05, subdivision 1a.

Sec. 2. Minnesota Statutes 1990, section 244.03, is amended to read:

244.03 [~~VOLUNTARY~~ REHABILITATIVE PROGRAMS.]

The commissioner shall provide appropriate mental health programs and vocational and educational programs with employment-related goals for inmates who desire to voluntarily participate in such programs and for inmates who are required to participate in the programs under the disciplinary offense rules adopted by the commissioner under section 244.05, subdivision 1a. The selection, design and implementation of programs under this section shall be the sole responsibility of the commissioner, acting within the limitations imposed by the funds appropriated for such programs.

No action challenging the level of expenditures for programs authorized under this section, nor any action challenging the selection, design or implementation of these programs, may be maintained by an inmate in any court in this state.

Sec. 3. Minnesota Statutes 1990, section 244.04, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION OF SENTENCE.] Notwithstanding the provisions of section 609.11, subdivision 6, and section 609.346, subdivision 1, the term of imprisonment of any inmate sentenced to a presumptive fixed sentence after May 1, 1980, and whose crime was committed before December 31, 1993, shall be reduced in

duration by one day for each two days during which the inmate violates none of the disciplinary offense rules promulgated by the commissioner. The reduction shall accrue to the period of supervised release to be served by the inmate, except that the period of supervised release for a sex offender sentenced and conditionally released by the commissioner under section 609.1352, subdivision 5, is governed by that provision.

Except as otherwise provided in subdivision 2, if an inmate violates a disciplinary offense rule promulgated by the commissioner, good time earned prior to the violation may not be taken away, but the inmate may be required to serve an appropriate portion of the term of imprisonment after the violation without earning good time.

Sec. 4. Minnesota Statutes 1990, section 244.04, subdivision 3, is amended to read:

Subd. 3. The provisions of this section do not apply to an inmate serving a mandatory life sentence or to persons whose crimes were committed on or after December 31, 1993.

Sec. 5. Minnesota Statutes 1990, section 244.05, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISED RELEASE REQUIRED.] Except as provided in subdivisions 1a, 4, and 5, every inmate shall serve a supervised release term upon completion of the inmate's term of imprisonment as reduced by any good time earned by the inmate or extended by confinement in punitive segregation pursuant to section 244.04, subdivision 2. Except for a sex offender conditionally released under section 609.1352, subdivision 5, the supervised release term shall be equal to the period of good time the inmate has earned, and shall not exceed the length of time remaining in the inmate's sentence.

Sec. 6. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1a. [SUPERVISED RELEASE; OFFENDERS WHO COMMIT CRIMES ON OR AFTER DECEMBER 31, 1993.] (a) Except as provided in subdivisions 4 and 5, every inmate sentenced to prison for a felony offense committed on or after December 31, 1993, shall serve a supervised release term upon completion of the term of imprisonment pronounced by the sentencing court under section 7 and any disciplinary confinement period imposed by the commissioner due to the inmate's violation of any disciplinary offense rule adopted by the commissioner under paragraph (b). The supervised release term shall be equal in length to the amount of time remaining in the inmate's imposed sentence after the inmate has

served the pronounced term of imprisonment and any disciplinary confinement period imposed by the commissioner.

(b) By December 31, 1993, the commissioner shall modify the commissioner's existing disciplinary rules to specify disciplinary offenses which may result in imposition of a disciplinary confinement period and the length of the disciplinary confinement period for each disciplinary offense. These disciplinary offense rules may cover violation of institution rules, refusal to work, refusal to participate in treatment or other rehabilitative programs, and other matters determined by the commissioner. No inmate who violates a disciplinary rule shall be placed on supervised release until the inmate has served the disciplinary confinement period or until the inmate is discharged or released from punitive segregation confinement, whichever is later. The imposition of a disciplinary confinement period shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for imposing the disciplinary confinement period and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Sec. 7. [244.101] [SENTENCING OF FELONY OFFENDERS WHO COMMIT OFFENSES ON AND AFTER DECEMBER 31, 1993.]

Subdivision 1. [SENTENCING AUTHORITY.] When a felony offender is sentenced to a fixed executed prison sentence for an offense committed on or after December 31, 1993, the sentence pronounced by the court shall consist of two parts: (1) a specified minimum term of imprisonment; and (2) a specified maximum supervised release term. The lengths of the term of imprisonment and the supervised release term actually served by an inmate are subject to the provisions of section 244.05, subdivision 1a.

Subd. 2. [EXPLANATION OF SENTENCE.] When a court pronounces sentence under this section, it shall specify the amount of time the defendant will serve in prison and the amount of time the defendant will serve on supervised release, assuming the defendant commits no disciplinary offense in prison that may result in the imposition of a disciplinary confinement period. The court shall also explain that the defendant's term of imprisonment may be extended by the commissioner if the defendant commits any disciplinary offenses in prison and that this extension could result in the defendant's serving the entire pronounced sentence in prison. The court's explanation shall be included in the sentencing order.

Subd. 3. [NO RIGHT TO SUPERVISED RELEASE.] Notwithstanding the court's specification of the potential length of a defendant's supervised release term in the sentencing order, the court's order creates no right of a defendant to any specific, minimum length of a supervised release term.

Subd. 4. [APPLICATION OF STATUTORY MANDATORY MINIMUM SENTENCES.] If the defendant is convicted of any offense for which a statute imposes a mandatory minimum sentence or term of imprisonment, the statutory mandatory minimum sentence or term governs the length of the entire sentence pronounced by the court under this section.

Sec. 8. [609.146] [COMPUTATION OF JAIL CREDIT.]

An offender is entitled to a reduction in the offender's term of imprisonment for time spent in custody in a correctional facility before the date of sentencing only when the time was spent in custody in connection with the offense or behavioral incident for which the offender is currently being sentenced.

Sec. 9. [609.151] [CONSECUTIVE SENTENCES FOR CRIMES COMMITTED AT STATE CORRECTIONAL FACILITIES.]

Subdivision 1. [CONSECUTIVE SENTENCE.] Notwithstanding the sentencing guidelines or any provision of law, when an inmate of a state correctional facility commits a felony at the facility and is convicted for that felony, the court shall impose a sentence to run consecutively to the sentence for which the inmate was confined when the felony was committed.

Subd. 2. [PRESUMPTIVE SENTENCE.] Based upon the defendant's criminal history score at the time of the commission of the offense, the court shall impose the presumptive sentence established by the appropriate grid of the sentencing guidelines grid.

Subd. 3. [WAIVER.] The court may, in whole or part, waive the sentencing requirements of subdivisions 1 and 2 upon certification of the prosecuting authority that the defendant has provided substantial and material assistance in the detection or prosecution of crime.

Sec. 10. Minnesota Statutes 1990, section 609.152, subdivision 2, is amended to read:

Subd. 2. [INCREASED SENTENCES; DANGEROUS OFFENDERS.] Whenever a person is convicted of a violent crime, and the judge is imposing an executed sentence based on a sentencing guidelines presumptive imprisonment sentence, the judge may impose an aggravated durational departure from the presumptive imprisonment sentence up to the statutory maximum sentence if the offender was at least 18 years old at the time the felony was committed, and:

(1) the court determines on the record at the time of sentencing

that the offender has two or more prior convictions for violent crimes; and

(2) the court finds that the offender is a danger to public safety and specifies on the record the basis for the finding, which may include:

(i) the offender's past criminal behavior, such as the offender's high frequency rate of criminal activity or juvenile adjudications, or long involvement in criminal activity including juvenile adjudications; or

(ii) the fact that the present offense of conviction involved an aggravating factor that would justify a durational departure under the sentencing guidelines.

Sec. 11. Minnesota Statutes 1990, section 609.152, subdivision 3, is amended to read:

Subd. 3. [INCREASED SENTENCES; CAREER OFFENDERS.] Whenever a person is convicted of a felony, and the judge is imposing an executed sentence based on a sentencing guidelines presumptive imprisonment sentence, the judge may impose an aggravated durational departure from the presumptive sentence up to the statutory maximum sentence if the judge finds and specifies on the record that the offender has more than four prior felony convictions ~~and that the present offense is a felony that was committed as part of a pattern of criminal conduct from which a substantial portion of the offender's income was derived~~.

Sec. 12. [SENTENCING GUIDELINES MODIFICATIONS.]

The sentencing guidelines commission shall modify sentencing guideline II.F to provide a presumption in favor of consecutive sentences for any person convicted of multiple crimes against a person in separate behavioral incidents and to require judges to provide written reasons under sentencing guideline II.D for any mitigated departure from this presumption.

Sec. 13. [TASK FORCE ON NEW FELONY SENTENCING SYSTEM.]

Subdivision 1. [MEMBERSHIP.] A task force is established to study the implementation of the new felony sentencing system provided in this article. The task force consists of the following members or their designees:

(1) the chair of the sentencing guidelines commission;

(2) the commissioner of corrections;

(3) the state court administrator;

(4) the chair of the house judiciary committee; and

(5) the chair of the senate judiciary committee.

The task force shall select a chair from among its membership.

Subd. 2. [DUTIES.] The task force shall study the new felony sentencing system provisions contained in this article. Based on this study, the task force shall:

(1) determine whether the current sentencing guidelines and sentencing guidelines grid need to be changed in order to implement the new sentencing provisions; and

(2) determine whether any legislative changes to the provisions are needed to permit their effective implementation.

Subd. 3. [REPORT.] The task force shall report the results of its study to the legislature by February 15, 1993. The report shall include the task force's recommendations, if any, for changing the law or the sentencing guidelines in order to effectively implement the new felony sentencing system.

Sec. 14. [SENTENCING GUIDELINES COMMISSION; STUDY.]

The sentencing guidelines commission shall study the following issues and report its findings and conclusions to the chairs of the house and senate judiciary committees by February 1, 1993:

(1) whether the crime of first degree criminal sexual conduct should be ranked, in whole or in part, in severity level IX of the sentencing guidelines grid; and

(2) whether the current presumptive sentence for the crime of second degree intentional murder is adequately proportional to the mandatory life imprisonment penalty provided for first degree murder.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 7 are effective December 31, 1993, and apply to crimes committed on or after that date. Sections 8 to 12 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 3

STATE AND LOCAL CORRECTIONS

Section 1. Minnesota Statutes 1990, section 243.53, is amended to read:

243.53 [SEPARATE CELLS.]

When there are cells sufficient, each convict shall be confined in a separate cell. On and after July 1, 1992, every new and existing medium security correctional facility that is built or remodeled for the purpose of increasing its inmate capacity, must be designed and built to comply with multiple-occupancy standards for not more than one-half of the facility's capacity and must include a maximum capacity figure. Every new and existing minimum security facility that is built or remodeled for the purpose of increasing its inmate capacity, must be designed and built to comply with minimum security multiple-occupancy standards. All inmates in current and future close, maximum and high security facilities, including the Minnesota correctional facilities at St. Cloud, Stillwater, and Oak Park Heights, shall be confined in separate cells except for inmates confined in geriatric or honor dormitory-type facilities.

Sec. 2. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1b. [RELEASE ON CERTAIN DAYS.] Notwithstanding the amount of good time earned by an inmate whose crime was committed before August 1, 1992, if the inmate's scheduled release date occurs on a Friday, Saturday, Sunday, or holiday, the inmate's supervised release term shall begin on the last day before the inmate's scheduled release date that is not a Friday, Saturday, Sunday, or holiday. For inmates whose crimes were committed on or after August 1, 1992, if the inmate's scheduled release date occurs on a Friday, Saturday, Sunday, or holiday, the inmate's supervised release term shall begin on the first day after the inmate's scheduled release date that is not a Friday, Saturday, Sunday, or holiday.

Sec. 3. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1c. [RELEASE TO RESIDENTIAL PROGRAM; ESCORT REQUIRED.] The commissioner shall provide an escort for any inmate on parole or supervised release status who is released to a halfway house or other residential community program. The escort shall be an employee of the commissioner or a person acting as the commissioner's agent for this purpose.

Sec. 4. [244.17] [BOOT CAMP PROGRAM.]

Subdivision 1. [GENERALLY.] The commissioner may select offenders who meet the eligibility requirements of subdivisions 2 and 3 to participate in the boot camp program described in sections 244.171 and 244.172 for all or part of the offender's sentence if the offender agrees to participate in the program and signs a written contract with the commissioner agreeing to comply with the program's requirements.

Subd. 2. [ELIGIBILITY] The commissioner must limit the boot camp program to the following persons:

(1) offenders who are committed to the commissioner's custody following revocation of a stayed sentence; and

(2) offenders who are committed to the commissioner's custody for a term of imprisonment of not less than 18 months nor more than 36 months and who did not receive a dispositional departure under the sentencing guidelines.

Subd. 3. [OFFENDERS NOT ELIGIBLE.] The following offenders are not eligible to be placed in the boot camp program:

(1) offenders who are committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct, assault, kidnapping, robbery, arson, or any other offense involving death or personal injury; and

(2) offenders who previously were convicted of an offense described in clause (1) and were committed to the custody of the commissioner.

Sec. 5. [244.171] [BOOT CAMP PROGRAM; BASIC ELEMENTS.]

Subdivision 1. [REQUIREMENTS.] The commissioner shall operate the boot camp program in conformance with this section. The commissioner shall administer the program to further the following goals:

(1) to punish the offender;

(2) to protect the safety of the public;

(3) to enhance the employment skills of the offender during the boot camp program and afterward;

(4) to use offenders to accomplish community service initiatives, goals and projects; and

(5) to facilitate treatment of offenders who are chemically dependent.

Subd. 2. [GOOD TIME NOT AVAILABLE.] An offender in the boot camp program does not earn good time during phases I and II of the program, notwithstanding section 244.04.

Subd. 3. [SANCTIONS.] The commissioner shall impose severe and meaningful sanctions for violating the conditions of the boot camp program. The commissioner shall remove an offender from the boot camp program if the offender:

(1) commits a material violation of or repeatedly fails to follow the rules of the program;

(2) commits any misdemeanor, gross misdemeanor, or felony offense; or

(3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The removal of an offender from the boot camp program is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender who is removed from the boot camp program shall be imprisoned for a time period equal to the offender's original term of imprisonment, minus earned good time if any, but in no case for longer than the time remaining in the offender's sentence. "Original term of imprisonment" means a time period equal to two-thirds of the sentence originally executed by the sentencing court, minus jail credit, if any.

Sec. 6. [244.172] [BOOT CAMP PROGRAM; PHASES I to III.]

Subdivision 1. [PHASE I.] Phase I of the program lasts at least six months. The offender must be confined in a state correctional facility designated by the commissioner and must successfully participate in all intensive treatment, education and work programs required by the commissioner. The offender must also submit on demand to random drug and alcohol testing at time intervals set by the commissioner. For the first three months of phase I, the offender may not receive visitors or telephone calls, except under emergency circumstances.

Subd. 2. [PHASE II.] Phase II of the program lasts at least six months. The offender shall serve this phase of the offender's sentence in an intensive community supervision program established by the commissioner under section 244.13. The commissioner may impose on the offender any of the requirements described in section 244.15, subdivisions 2 to 7, provided that the offender must be required to submit to daily drug and alcohol tests for the first three months; biweekly tests for the next two months; and weekly tests for the remainder of phase II. The commissioner shall also require the

offender to report daily to a day-reporting facility designated by the commissioner. In addition, if the commissioner required the offender to undergo acupuncture during phase I, the offender must continue to submit to acupuncture treatment throughout phase II.

Subd. 3. [PHASE III.] Phase III lasts for the remainder of the offender's sentence. During phase III, the commissioner shall place the offender on supervised release under section 244.05. The commissioner shall set the level of the offender's supervision based on the public risk presented by the offender.

Sec. 7. [244.173] [BOOT CAMP PROGRAM; EVALUATION AND REPORT.]

The commissioner shall develop a system for gathering and analyzing information concerning the value and effectiveness of the boot camp program. The commissioner shall report to the legislature by January 1, 1996, on the operation of the program.

Sec. 8. [244.18] [LOCAL CORRECTIONAL FEES; IMPOSITION ON OFFENDERS.]

Subdivision 1. [DEFINITION.] As used in this section, "local correctional fees" include fees for the following correctional services:

(1) community service work placement and supervision;

(2) restitution collection;

(3) supervision;

(4) court ordered investigations; or

(5) any other court ordered service to be provided by a local probation and parole agency established under section 260.311 or community corrections agency established under chapter 401.

Subd. 2. [LOCAL CORRECTIONAL FEES.] A local correctional agency may establish a schedule of local correctional fees to charge persons convicted of a crime and under the supervision and control of the local correctional agency to defray costs associated with correctional services. The local correctional fees on the schedule must be reasonably related to defendants' abilities to pay and the actual cost of correctional services.

Subd. 3. [FEE COLLECTION.] The chief executive officer of a local correctional agency may collect local correctional fees assessed under section 12. The local correctional agency may collect the fee at any time while the offender is under sentence or after the sentence

has been discharged. The agency may use any available civil means of debt collection in collecting a local correctional fee.

Subd. 4. [EXEMPTION FROM FEE.] The local correctional agency shall waive payment of a local correctional fee if so ordered by the court under section 12. If the court fails to waive the fee, the chief executive officer of the local correctional agency may waive payment of the fee if the officer determines that the offender does not have the ability to pay the fee, the prospects for payment are poor, or there are extenuating circumstances justifying waiver of the fee. Instead of waiving the fee, the local correctional agency may require the offender to perform community work service as a means of paying the fee.

Subd. 5. [RESTITUTION PAYMENT PRIORITY.] If a defendant has been ordered by a court to pay restitution and a local correctional fee, the defendant shall be obligated to pay the restitution ordered before paying the local correctional fee.

Subd. 6. [USE OF FEES.] The local correctional fees shall be used by the local correctional agency to pay the costs of local correctional services. Local correctional fees may not be used to supplant existing local funding for local correctional services.

Sec. 9. Minnesota Statutes 1990, section 260.311, is amended by adding a subdivision to read:

Subd. 3a. [DETAINING PERSON ON CONDITIONAL RELEASE.] (a) County probation officers serving a district or juvenile court may, without a warrant when it appears necessary to prevent escape or enforce discipline, take and detain a probationer or any person on conditional release and bring that person before the court or the commissioner of corrections, whichever is appropriate, for disposition. No probationer or other person on conditional release shall be detained under this subdivision more than 72 hours, excluding Saturdays, Sundays and holidays, without being given an opportunity for a hearing before the court or the commissioner of corrections or a designee.

(b) The written order of the chief executive officer or designee of a county corrections agency established under this section is sufficient authority for any peace officer or county probation officer to take and place in actual custody any person under sentence or on probation who:

(1) fails to report to serve a sentence at a local correctional facility, as defined in section 241.021, subdivision 1;

(2) fails to return from furlough or authorized temporary release from a local correctional facility;

(3) escape from a local correctional facility; or

(4) absconds from court-ordered home detention.

Sec. 10. Minnesota Statutes 1990, section 401.02, subdivision 4, is amended to read:

Subd. 4. [DETAINING PERSON ON CONDITIONAL RELEASE.] (a) Probation officers serving the district~~, county, municipal~~ and juvenile courts of counties participating in the subsidy program established by this chapter may, without order or warrant, when it appears necessary to prevent escape or enforce discipline, take and detain a probationer, or any person on conditional release and bring that person before the court or the commissioner of corrections or a designee, whichever is appropriate, for disposition. No probationer or other person on conditional release shall be detained more than 72 hours, exclusive of legal holidays, Saturdays and Sundays, pursuant to this subdivision without being provided with the opportunity for a hearing before the court or the commissioner of corrections or a designee. When providing supervision and other correctional services to persons conditionally released pursuant to sections 241.26, 242.19, 243.05, 243.16, 244.05, and 244.065, including intercounty transfer of persons on conditional release, and the conduct of presentence investigations, participating counties shall comply with the policies and procedures relating thereto as prescribed by the commissioner of corrections.

(b) The written order of the chief executive officer or designee of a community corrections agency established under this chapter is sufficient authority for any peace officer or county probation officer to take and place in actual custody any person under sentence or on probation who:

(1) fails to report to serve a sentence at a local correctional facility, as defined in section 241.021, subdivision 1;

(2) fails to return from furlough or authorized temporary release from a local correctional facility;

(3) escapes from a local correctional facility; or

(4) absconds from court-ordered home detention.

Sec. 11. Minnesota Statutes 1990, section 609.10, is amended to read:

609.10 [SENTENCES AVAILABLE.]

Upon conviction of a felony and compliance with the other

provisions of this chapter the court, if it imposes sentence, may sentence the defendant to the extent authorized by law as follows:

(1) to life imprisonment; or

(2) to imprisonment for a fixed term of years set by the court; or

(3) to both imprisonment for a fixed term of years and payment of a fine; or

(4) to payment of a fine without imprisonment or to imprisonment for a fixed term of years if the fine is not paid; or

(5) to payment of court-ordered restitution in addition to either imprisonment or payment of a fine, or both; or

(6) to payment of a local correctional fee as authorized under section 12.

Sec. 12. [609.102] [LOCAL CORRECTIONAL FEES; IMPOSITION BY COURT.]

Subdivision 1. [DEFINITION.] As used in this section, "local correctional fee" means a fee for local correctional services established by a local correctional agency under section 8.

Subd. 2. [IMPOSITION OF FEE.] When a court sentences a person convicted of a crime, and places the person under the supervision and control of a local correctional agency, the court shall impose a local correctional fee based on the local correctional agency's fee schedule adopted under section 8.

Subd. 3. [FEE EXEMPTION.] The court may waive payment of a local correctional fee if it makes findings on the record that the convicted person is exempt due to any of the factors named under section 8, subdivision 4. The court shall consider prospects for payment during the term of supervision by the local correctional agency.

Subd. 4. [RESTITUTION PAYMENT PRIORITY.] If the court orders the defendant to pay restitution and a local correctional fee, the court shall order that the restitution be paid before the local correctional fee.

Sec. 13. Minnesota Statutes 1990, section 609.125, is amended to read:

609.125 [SENTENCE FOR MISDEMEANOR OR GROSS MISDEMEANOR.]

Upon conviction of a misdemeanor or gross misdemeanor the court, if sentence is imposed, may, to the extent authorized by law, sentence the defendant:

(1) to imprisonment for a definite term; or

(2) to payment of a fine, or to imprisonment for a specified term if the fine is not paid; or

(3) to both imprisonment for a definite term and payment of a fine; or

(4) to payment of court-ordered restitution in addition to either imprisonment or payment of a fine, or both; or

(5) to payment of a local correctional fee as authorized under section 12.

Sec. 14. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1992. Sections 2, 3, 9, and 10 are effective the day following final enactment. Sections 4 to 8 and 11 to 13 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 4

OTHER PENALTY PROVISIONS

Section 1. Minnesota Statutes 1990, section 609.101, is amended by adding a subdivision to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] (a) Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court may not waive payment of the minimum fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent

or that the fine would create undue hardship for the convicted person or that person's immediate family.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

(b) The court shall collect the portion of the fine mandated by this subdivision and forward 35 percent of it to the commissioner of finance to be credited to the general fund. The remainder of the minimum fine and any fine amount imposed in excess of the minimum fine shall be collected and distributed as otherwise provided by law.

Sec. 2. Minnesota Statutes 1990, section 609.2231, is amended by adding a subdivision to read:

Subd. 6. [PUBLIC EMPLOYEES WITH MANDATED DUTIES.] A person is guilty of a gross misdemeanor who:

(1) assaults an agricultural inspector, child protection worker, public health nurse, or probation or parole officer while the employee is engaged in the performance of a duty mandated by law, court order, or ordinance;

(2) knows that the victim is a public employee engaged in the performance of the official public duties of the office; and

(3) inflicts demonstrable bodily harm.

Sec. 3. Minnesota Statutes 1990, section 609.322, is amended to read:

609.322 [SOLICITATION, INDUCEMENT AND PROMOTION OF PROSTITUTION.]

Subdivision 1. Whoever, while acting other than as a prostitute or patron, intentionally does either of the following may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than $40,000, or both:

(1) solicits or induces an individual under the age of ~~13~~ 16 years to practice prostitution; or

(2) promotes the prostitution of an individual under the age of ~~13~~ 16 years.

Subd. 1a. Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to

imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both:

(1) Solicits or induces an individual at least ~~13~~ 16 but less than ~~16~~ 18 years of age to practice prostitution; or

(2) Solicits or induces an individual to practice prostitution by means of force; or

(3) Uses a position of authority to solicit or induce an individual to practice prostitution; or

(4) Promotes the prostitution of an individual in the following circumstances:

(a) The individual is at least ~~13~~ 16 but less than ~~16~~ 18 years of age; or

(b) The actor knows that the individual has been induced or solicited to practice prostitution by means of force; or

(c) The actor knows that a position of authority has been used to induce or solicit the individual to practice prostitution.

Subd. 2. Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both:

(1) ~~Solicits or induces an individual at least 16 but less than 18 years of age to practice prostitution; or~~

~~(2)~~ Solicits or induces an individual to practice prostitution by means of trick, fraud, or deceit; or

~~(3)~~ (2) Being in a position of authority, consents to an individual being taken or detained for the purposes of prostitution; or

~~(4)~~ (3) Promotes the prostitution of an individual in the following circumstances:

(a) ~~The individual is at least 16 but less than 18 years of age; or~~

~~(b)~~ The actor knows that the individual has been induced or solicited to practice prostitution by means of trick, fraud or deceit; or

~~(c)~~ (b) The actor knows that an individual in a position of authority has consented to the individual being taken or detained for the purpose of prostitution.

Subd. 3. Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $5,000, or both:

(1) Solicits or induces an individual 18 years of age or above to practice prostitution; or

(2) Promotes the prostitution of an individual 18 years of age or older.

Sec. 4. Minnesota Statutes 1990, section 609.323, is amended to read:

609.323 [RECEIVING PROFIT DERIVED FROM PROSTITUTION.]

Subdivision 1. Whoever, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual under the age of ~~13~~ 16 years, may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $30,000, or both.

Subd. 1a. Whoever, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual in circumstances described in section 609.322, subdivision 1a, clause (4), may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both.

Subd. 2. Whoever, not related by blood, adoption, or marriage to the prostitute, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual in circumstances described in section 609.322, subdivision 2, clause ~~(4)~~ (3) may be sentenced to not more than three years imprisonment or to payment of a fine of not more than $5,000, or both.

Subd. 3. Whoever, not related by blood, adoption, or marriage to the prostitute, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution of an individual 18 years of age or above may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

Subd. 4. This section does not apply to the sale of goods or services to a prostitute in the ordinary course of a lawful business.

Sec. 5. Minnesota Statutes 1990, section 609.378, subdivision 1, is amended to read:

Subdivision 1. [PERSONS GUILTY OF NEGLECT OR ENDANGERMENT.] The following people are guilty of neglect or endangerment of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

(a) [NEGLECT.] (1) A parent, legal guardian, or caretaker who willfully deprives a child of necessary food, clothing, shelter, health care, or supervision appropriate to the child's age, when the parent, guardian, or caretaker is reasonably able to make the necessary provisions and the deprivation substantially harms or is likely to substantially harm the child's physical or emotional health is guilty of neglect of a child. If a parent, guardian, or caretaker responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, this treatment or care is "health care," for purposes of this clause.

(2) A parent, legal guardian, or caretaker who knowingly permits the continuing physical or sexual abuse of a child is guilty of neglect of a child.

(b) [ENDANGERMENT.] A parent, legal guardian, or caretaker who endangers the child's person or health by:

(1) intentionally causing or permitting a child to be placed in a situation likely to substantially harm the child's physical or mental health or cause the child's death; or

(2) knowingly causing or permitting the child to be present where any person is selling or possessing a controlled substance, as defined in section 152.01, subdivision 4, in violation of section 152.021, 152.022, 152.023, or 152.024; is guilty of child endangerment. This paragraph does not prevent a parent, legal guardian, or caretaker from causing or permitting a child to engage in activities that are appropriate to the child's age, stage of development, and experience, or from selecting health care as defined in subdivision 1, paragraph (a).

Sec. 6. Minnesota Statutes 1990, section 609.747, subdivision 2, is amended to read:

Subd. 2. [HARASSMENT FOLLOWING ASSAULT ~~OR~~, TERROR-

ISTIC THREAT, OR PRIOR HARASSMENT CONVICTION.] (a) It is a ~~gross misdemeanor~~ felony for a person who has been convicted of assault ~~or~~, terroristic threat, or harassment to commit harassment:

(1) against the same victim, within five consecutive years after the conviction; or

(2) against any victim, within two consecutive years after the conviction.

(b) A person convicted under this subdivision may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $5,000, or both.

(c) In this subdivision:

(1) "assault" means a violation of section 609.221, 609.222, 609.223, 609.2231, or 609.224;

(2) "harassment" means a violation of section 609.605, subdivision 1, paragraph (b), clause (7); 609.746, subdivision 2; 609.79, subdivision 1, clause (1)(b); ~~or~~ 609.795, subdivision 1, clause (3); or 609.748, subdivision 6; and

(3) "terroristic threat" means a violation of section 609.713, subdivision 1 or 3.

Sec. 7. [REPORT ON CRIMINAL FINE ASSESSMENTS.]

By December 1, 1992, the district administrators of the ten judicial districts shall report the following information to the chairs of the house and senate judiciary committees:

(1) the total amount of fines imposed on persons convicted of misdemeanor, gross misdemeanor and felony offenses in each judicial district in calendar years 1991 and 1992;

(2) the total amount of criminal fines collected in each judicial district in those years;

(3) the total amount of unpaid criminal fines in each judicial district in those years; and

(4) the judicial district's plan for collecting the unpaid criminal fines.

Sec. 8. [TASK FORCE ON CRIMINAL FINES AND CRIMINAL JUSTICE RESOURCE MANAGEMENT.]

Subdivision 1. [MEMBERSHIP.] An advisory task force on criminal fines and criminal justice resource management is created consisting of the following members or their designees:

(1) the chairs of the state government division and the human resources division of the house appropriations committee;

(2) the chairs of the economic and state affairs division and the health and human services division of the senate finance committee;

(3) the chairs of the house and senate judiciary committees;

(4) one senator and one state representative selected by the minority leaders of the senate and the house of representatives;

(5) the chair of the sentencing guidelines commission;

(6) the state public defender; and

(7) a district judge selected by the conference of chief judges.

Subd. 2. [DUTIES.] The task force shall study the following matters:

(1) whether and to what extent judges currently impose criminal fines on convicted defendants;

(2) which crimes are more or less likely to be punished by the imposition of a criminal fine;

(3) what is the collection rate of criminal fines;

(4) what are the main impediments to the collection of unpaid fines;

(5) whether current statutory maximum fine limits should be increased and, if so, for which crimes or categories of crimes;

(6) whether minimum fine requirements should apply to some or all convicted offenders;

(7) whether convicted offenders should pay a portion of the costs of criminal prosecution and, if so, whether this responsibility should be implemented statewide;

(8) the role criminal fines should play in the overall management of criminal justice resources; and

(9) any other matters the task force finds relevant.

Subd. 3. [REPORT.] The task force shall report its findings and recommendations to the legislature by February 15, 1993. The task force expires on June 30, 1993.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 6 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 5

CRIME VICTIMS

Section 1. Minnesota Statutes 1990, section 72A.20, is amended by adding a subdivision to read:

Subd. 28. [HIV TESTS; CRIME VICTIMS.] No insurer regulated under chapter 61A or 62B, or providing health, medical, hospitalization, or accident and sickness insurance regulated under chapter 62A, or nonprofit health services corporation regulated under chapter 62C, health maintenance organization regulated under chapter 62D, or fraternal beneficiary association regulated under chapter 64B, may:

(1) obtain or use the performance of or the results of a test to determine the presence of the human immune deficiency virus (HIV) antibody performed on an offender under section 6 or performed on a crime victim who was exposed to or had contact with an offender's bodily fluids during commission of a crime that was reported to law enforcement officials, in order to make an underwriting decision, cancel, fail to renew, or take any other action with respect to a policy, plan, certificate, or contract; or

(2) ask an applicant for coverage or a person already covered whether the person has had a test performed for the reason set forth in clause (1).

A question that purports to require an answer that would provide information regarding a test performed for the reason set forth in clause (1) may be interpreted as excluding this test. An answer that does not mention the test is considered to be a truthful answer for all purposes. An authorization for the release of medical records for insurance purposes must specifically exclude any test performed for the purpose set forth in clause (1) and must be read as providing this exclusion regardless of whether the exclusion is expressly stated. This subdivision does not affect tests conducted for purposes other than those described in clause (1).

Sec. 2. Minnesota Statutes 1990, section 135A.15, is amended to read:

135A.15 [SEXUAL HARASSMENT AND VIOLENCE POLICY.]

Subdivision 1. [POLICY REQUIRED.] The governing board of each public post-secondary system and each public post-secondary institution shall adopt a clear, understandable written policy on sexual harassment and sexual violence. The policy must apply to students and employees and must provide information about their rights and duties. It must include procedures for reporting incidents of sexual harassment or sexual violence and for disciplinary actions against violators. During student registration, each public post-secondary institution shall provide each student with information regarding its policy. A copy of the policy also shall be posted at appropriate locations on campus at all times. Each private post-secondary institution that enrolls students who receive state financial aid must adopt a policy that meets the requirements of this section. The higher education coordinating board shall coordinate the policy development of the systems and institutions and periodically provide for review and necessary changes in the policies.

Subd. 2. [VICTIMS RIGHTS.] The policy required under subdivision 1 shall, at a minimum, contain the following rights:

(1) the right to the prompt assistance of school authorities in notifying the appropriate prosecutorial and disciplinary authorities of a sexual assault incident;

(2) the right to a prompt investigation and resolution of a sexual assault complaint by the appropriate prosecutorial and disciplinary authorities;

(3) the right to participate in and have the assistance of an attorney or other support person at any school disciplinary proceeding concerning the sexual assault complaint;

(4) the right to be notified of the outcome of any school disciplinary proceeding concerning the sexual assault complaint;

(5) the right to the complete and prompt assistance of school authorities in obtaining, securing, and maintaining evidence relevant to the school disciplinary proceeding or other legal proceeding concerning the sexual assault complaint; and

(6) the right to have school authorities and personnel take all necessary steps to shield the victim from unwanted contact with the alleged assailant, including but not limited to, relocation of the victim to safe, alternative housing and transfer of the victim to alternative classes, if requested.

Sec. 3. Minnesota Statutes 1990, section 260.155, is amended by adding a subdivision to read:

Subd. 1b. [RIGHT OF ALLEGED VICTIM TO PRESENCE OF SUPPORTIVE PERSON.] Notwithstanding any provision of subdivision 1 to the contrary, in any delinquency proceedings in which the alleged victim of the delinquent act is testifying in court, the victim may choose to have a supportive person, whether or not a witness, present during the testimony of the victim. If the person chosen is also scheduled to be a witness in the proceedings, the county attorney shall present, on noticed motion, evidence that the person's attendance is both desired by the victim for support and will be helpful to the victim. Upon that showing, the court shall grant the request unless information presented by the alleged delinquent or noticed by the court establishes that the supportive person's attendance during the testimony of the victim would pose a substantial risk of influencing or affecting the content of that testimony.

Sec. 4. Minnesota Statutes 1990, section 595.02, subdivision 4, is amended to read:

Subd. 4. [COURT ORDER.] (a) In a proceeding in which a child less than ~~ten~~ 12 years of age is alleging, denying, or describing:

(1) an act of physical abuse or an act of sexual contact or penetration performed with or on the child or any other person by another; or

(2) an act that constitutes a crime of violence committed against the child or any other person, the court may, upon its own motion or upon the motion of any party, order that the testimony of the child be taken in a room other than the courtroom or in the courtroom and televised at the same time by closed-circuit equipment, or recorded for later showing to be viewed by the jury in the proceeding, to minimize the trauma to the child of testifying in the courtroom setting and, where necessary, to provide a setting more amenable to securing the child witness's uninhibited, truthful testimony.

(b) At the taking of testimony under this subdivision, only the judge, the attorneys for the defendant and for the state, any person whose presence would contribute to the welfare and well-being of the child, persons necessary to operate the recording or closed-circuit equipment and, in a child protection proceeding under chapter 260 or a dissolution or custody proceeding under chapter 518, the attorneys for those parties with a right to participate may be present with the child during the child's testimony.

(c) The court shall permit the defendant in a criminal or delinquency matter to observe and hear the testimony of the child in person. If the court, upon its own motion or the motion of any party, ~~determines~~ finds in a hearing conducted outside the presence of the jury, that the presence of the defendant during testimony taken pursuant to this subdivision would psychologically traumatize the

witness so as to render the witness unavailable to testify, the court may order that the testimony be taken in a manner that:

(1) the defendant can see and hear the testimony of the child in person and communicate with counsel, but the child cannot see or hear the defendant; or

(2) the defendant ~~and child can view each other~~ can see and hear the testimony of the child by video or television monitor from a separate ~~rooms~~ room and communicate with counsel, but the child cannot see or hear the defendant.

(d) As used in this subdivision, "crime of violence" has the meaning given it in section 624.712, subdivision 5, and includes violations of section 609.26.

Sec. 5. Minnesota Statutes 1990, section 611A.03, subdivision 1, is amended to read:

Subdivision 1. [PLEA AGREEMENTS; NOTIFICATION OF VICTIM.] Prior to the entry of the factual basis for a plea pursuant to a plea agreement recommendation, a prosecuting attorney shall make a reasonable and good faith effort to inform the victim of:

(a) The contents of the plea agreement recommendation, including the amount of time recommended for the defendant to serve in jail or prison if the court accepts the agreement; and

(b) The right to be present at the sentencing hearing and to express orally or in writing, at the victim's option, any objection to the agreement or to the proposed disposition. If the victim is not present when the court considers the recommendation, but has communicated objections to the prosecuting attorney, the prosecuting attorney shall make these objections known to the court.

Sec. 6. [611A.19] [TESTING OF SEX OFFENDER FOR HUMAN IMMUNODEFICIENCY VIRUS.]

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) The sentencing court may issue an order requiring a person convicted of violating section 609.342, 609.343, 609.344, or 609.345, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:

(1) the prosecutor moves for the test order in camera;

(2) the victim requests the test; and

(3) evidence exists that the broken skin or mucous membrane of

the victim was exposed to or had contact with the offender's semen or blood during commission of the crime.

(b) If the court grants the prosecutor's motion, the court shall order that the test be performed by an appropriate health professional and that no reference to the test, the motion requesting the test, the test order, or the test results may appear in the criminal record or be maintained in any record of the court or court services.

Subd. 2. [DISCLOSURE OF TEST RESULTS.] The date and results of any test performed under subdivision 1 are private data as defined in section 13.02, subdivision 12, except that the results are available, on request, to the victim or, if the victim is a minor, to the victim's parent or guardian and positive test results may be reported to the commissioner of health. Any test results given to a victim or victim's parent or guardian shall be provided by a health professional who is trained to provide the counseling described in section 144.763. Data regarding administration and results of the test are not accessible to any other person for any purpose and shall not be maintained in any record of the court or court services or any other record. After the test results are given to the victim or the victim's parent or guardian, data on the test must be removed from any medical data or health records maintained under section 13.42 or 144.335.

Sec. 7. [611A.711] [CRIME VICTIM SERVICES TELEPHONE LINE.]

The commissioner of public safety shall operate at least one statewide toll-free 24-hour telephone line for the purpose of providing crime victims with referrals for victim services and resources.

Sec. 8. [MEDIATION PROGRAMS FOR CRIME VICTIMS AND OFFENDERS.]

Subdivision 1. [GRANTS.] The state court administrator shall award grants to nonprofit organizations to create or expand mediation programs for crime victims and offenders. For purposes of this section, "offender" means an adult charged with a nonviolent misdemeanor or a juvenile with respect to whom a petition for delinquency has been filed in connection with a nonviolent misdemeanor, and "nonviolent misdemeanor" excludes any offense in which the victim is a family or household member, as defined in section 518B.01, subdivision 2.

Subd. 2. [PROGRAMS.] The state court administrator shall award grants to further the following goals:

(1) to expand existing mediation programs for crime victims and juvenile offenders to also include adult offenders;

(2) to initiate victim-offender mediation programs in areas that have no victim-offender mediation programs;

(3) to expand the opportunities for crime victims to be involved in the criminal justice process;

(4) to evaluate the effectiveness of victim-offender mediation programs in reducing recidivism and encouraging the payment of court-ordered restitution; and

(5) to evaluate the satisfaction of victims who participate in the mediation programs.

Subd. 3. [MEDIATOR QUALIFICATIONS.] The state court administrator shall establish criteria to ensure that mediators participating in the program are qualified.

Subd. 4. [MATCH REQUIRED.] A nonprofit organization may not receive a grant under this section unless the group has raised a matching amount from other sources.

Sec. 9. [EFFECTIVE DATE.]

Sections 3 and 4 are effective August 1, 1992, and apply to proceedings commenced on or after that date. Section 6 is effective August 1, 1992, and applies to crimes committed on or after that date.

ARTICLE 6

DOMESTIC ABUSE

Section 1. [256F.10] [GRANTS FOR CHILDREN'S SAFETY CENTERS.]

The commissioner shall issue a request for proposals from nonprofit, nongovernmental organizations, to design and implement two pilot children's safety centers. The purpose of the centers shall be 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. One of the pilot projects shall be located in the seven-county metropolitan area and one of the projects shall be located outside the seven-county metropolitan area.

Each children's safety center shall be designed 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 shall be available for use by district courts who may order visitation to occur at a safety center. The centers can 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 have an educational team which shall provide parenting and child development classes, and must offer support groups to participating custodial parents and hold regular classes designed to assist children who have experienced domestic violence and abuse.

Each center must provide sufficient security to ensure a safe visitation environment for children and their parents.

The commissioner shall award funds for development of the project sites. Funds shall be available beginning July 1, 1992. A grantee must demonstrate the ability to provide a local match for the two project sites. The local match may include in-kind contributions. The commissioner shall evaluate the operation of the two pilot projects and report back to the legislature by February 1, 1994, with recommendations.

Sec. 2. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 3a, is amended to read:

Subd. 3a. [FILING FEE.] The filing fees for an order for protection under this section are waived for the petitioner. The court administrator and the sheriff of any county in this state shall perform their duties relating to service of process without charge to the petitioner. The court shall ~~also~~ direct payment of the reasonable costs of service of process ~~in the manner provided in section 563.01, whether served by a sheriff,~~ if served by a private process server, when the sheriff is unavailable or if service is made by publication, without requiring the petitioner to make application under section 563.01. The court may direct a respondent to pay to the court administrator the petitioner's filing fees and reasonable costs of service of process if the court determines that the respondent has the ability to pay the petitioner's fees and costs.

Sec. 3. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 6, is amended to read:

Subd. 6. [RELIEF BY THE COURT.] (a) Upon notice and hearing, the court may provide relief as follows:

(1) restrain the abusing party from committing acts of domestic abuse;

(2) exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;

(3) award temporary custody or establish temporary visitation

with regard to minor children of the parties on a basis which gives primary consideration to the safety of the victim and the children. If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted visitation, the court shall condition or restrict visitation as to time, place, duration, or supervision, or deny visitation entirely, as needed to guard the safety of the victim and the children. Except for cases in which custody is contested, findings under sections 518.17 and 518.175 are not required. The court's ~~deliberation under this subdivision~~ decision on custody and visitation shall in no way delay the issuance of an order for protection granting other reliefs provided for in ~~Laws 1985, chapter 195~~ this section;

(4) on the same basis as is provided in chapter 518, establish temporary support for minor children or a spouse, and order the withholding of support from the income of the person obligated to pay the support according to chapter 518;

(5) provide upon request of the petitioner counseling or other social services for the parties, if married, or if there are minor children;

(6) order the abusing party to participate in treatment or counseling services;

(7) award temporary use and possession of property and restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;

(8) exclude the abusing party from the place of employment of the petitioner, or otherwise limit access to the petitioner by the abusing party at the petitioner's place of employment; and

(9) order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or constable, as provided by this section.

(b) Any relief granted by the order for protection shall be for a fixed period not to exceed one year, except when the court determines a longer fixed period is appropriate.

(c) An order granting the relief authorized in paragraph (a), clause (1), may not be vacated or modified in a proceeding for dissolution of marriage or legal separation, except that the court may hear a motion for modification of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and motion. The notice required by court rule shall not be waived. If the

proceedings are consolidated and the motion to modify is granted, a separate order for modification of an order for protection shall be issued.

(d) An order granting the relief authorized in paragraph (a), clause (2), is not voided by the admittance of the abusing party into the dwelling from which the abusing party is excluded.

(e) If a proceeding for dissolution of marriage or legal separation is pending between the parties, the court shall provide a copy of the order for protection to the court with jurisdiction over the dissolution or separation proceeding for inclusion in its file.

Sec. 4. Minnesota Statutes 1990, section 518B.01, subdivision 7, is amended to read:

Subd. 7. [TEMPORARY ORDER.] (a) Where an application under this section alleges an immediate and present danger of domestic abuse, the court may grant an ex parte temporary order for protection, pending a full hearing, and granting relief as the court deems proper, including an order:

(1) restraining the abusing party from committing acts of domestic abuse;

(2) excluding any party from the dwelling they share or from the residence of the other except by further order of the court; and

(3) excluding the abusing party from the place of employment of the petitioner or otherwise limiting access to the petitioner by the abusing party at the petitioner's place of employment.

(b) A finding by the court that there is a basis for issuing an ex parte temporary order for protection constitutes a finding that sufficient reasons exist not to require notice under applicable court rules governing applications for ex parte temporary relief.

(c) An ex parte temporary order for protection shall be effective for a fixed period not to exceed 14 days, except for good cause as provided under paragraph (c). A full hearing, as provided by this section, shall be set for not later than seven days from the issuance of the temporary order. The respondent shall be served forthwith a copy of the ex parte order along with a copy of the petition and notice of the date set for the hearing.

~~(c)~~ (d) When service is made by published notice, as provided under subdivision 5, the petitioner may apply for an extension of the period of the ex parte order at the same time the petitioner files the affidavit required under that subdivision. The court may extend the ex parte temporary order for an additional period not to exceed 14

days. The respondent shall be served forthwith a copy of the modified ex parte order along with a copy of the notice of the new date set for the hearing.

Sec. 5. Minnesota Statutes 1990, section 518B.01, subdivision 13, is amended to read:

Subd. 13. [COPY TO LAW ENFORCEMENT AGENCY.] (a) An order for protection granted pursuant to this section shall be forwarded by the court administrator within 24 hours to the local law enforcement agency with jurisdiction over the residence of the applicant.

Each appropriate law enforcement agency shall make available to other law enforcement officers through a system for verification, information as to the existence and status of any order for protection issued pursuant to this section.

(b) If the applicant notifies the court administrator of a change in the applicant's residence so that a different local law enforcement agency has jurisdiction over the residence, the order for protection must be forwarded by the court administrator to the new law enforcement agency within 24 hours of the notice. If the applicant notifies the new law enforcement agency that an order for protection has been issued under this section and the applicant has established a new residence within that agency's jurisdiction, within 24 hours the local law enforcement agency shall request a copy of the order for protection from the court administrator in the county that issued the order.

(c) When an order for protection is granted, the applicant for an order for protection must be told by the court that:

(1) notification of a change in residence should be given immediately to the court administrator and to the local law enforcement agency having jurisdiction over the new residence of the applicant;

(2) the reason for notification of a change in residence is to forward an order for protection to the proper law enforcement agency; and

(3) the order for protection must be forwarded to the law enforcement agency having jurisdiction over the new residence within 24 hours of notification of a change in residence, whether notification is given to the court administrator or to the local law enforcement agency having jurisdiction over the applicant's new residence.

An order for protection is enforceable even if the applicant does not notify the court administrator or the appropriate law enforcement agency of a change in residence.

Sec. 6. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 14, is amended to read:

Subd. 14. [VIOLATION OF AN ORDER FOR PROTECTION.] (a) Whenever an order for protection is granted pursuant to this section, and the respondent or person to be restrained knows of the order, violation of the order for protection is a misdemeanor. Upon conviction, the defendant must be sentenced to a minimum of three days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. If the court stays imposition or execution of the jail sentence and the defendant refuses or fails to comply with the court's treatment order, the court must impose and execute the stayed jail sentence. A person who violates this paragraph within two years after a previous conviction under this paragraph or within two years after a previous conviction under a similar law of another state, is guilty of a gross misdemeanor. ~~When a court sentences a person convicted of a gross misdemeanor and does not impose a period of incarceration, the court shall make findings on the record regarding the reasons for not requiring incarceration.~~ Upon conviction, the defendant must be sentenced to a minimum of 30 days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for gross misdemeanor convictions.

(b) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated an order granted pursuant to this section restraining the person or excluding the person from the residence or the petitioner's place of employment, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. The person shall be held in custody for at least 36 hours, excluding the day of arrest, Sundays, and holidays, unless the person is released earlier by a judge or judicial officer. A peace officer acting in good faith and exercising due care in making an arrest pursuant to this paragraph is immune from civil liability that might result from the officer's actions.

(c) A violation of an order for protection shall also constitute contempt of court and be subject to the penalties therefor.

(d) If the court finds that the respondent has violated an order for protection and that there is reason to believe that the respondent will commit a further violation of the provisions of the order restraining the respondent from committing acts of domestic abuse or excluding the respondent from the petitioner's residence, the court may require the respondent to acknowledge an obligation to comply with the order on the record. The court may require a bond sufficient to deter the respondent from committing further viola-

tions of the order for protection, considering the financial resources of the respondent, and not to exceed $10,000. If the respondent refuses to comply with an order to acknowledge the obligation or post a bond under this paragraph, the court shall commit the respondent to the county jail during the term of the order for protection or until the respondent complies with the order under this paragraph. The warrant must state the cause of commitment, with the sum and time for which any bond is required. If an order is issued under this paragraph, the court may order the costs of the contempt action, or any part of them, to be paid by the respondent. An order under this paragraph is appealable.

(e) Upon the filing of an affidavit by the petitioner, any peace officer, or an interested party designated by the court, alleging that the respondent has violated any order for protection granted pursuant to this section, the court may issue an order to the respondent, requiring the respondent to appear and show cause within 14 days why the respondent should not be found in contempt of court and punished therefor. The hearing may be held by the court in any county in which the petitioner or respondent temporarily or permanently resides at the time of the alleged violation. The court also may refer the violation of the order for protection to the appropriate prosecuting authority for possible prosecution under paragraph (a).

(f) If it is alleged that the respondent has violated an order for protection issued under subdivision 6 and the court finds that the order has expired between the time of the alleged violation and the court's hearing on the violation, the court may grant a new order for protection under subdivision 6 based solely on the respondent's alleged violation of the prior order, to be effective until the hearing on the alleged violation of the prior order. If the court finds that the respondent has violated the prior order, the relief granted in the new order for protection shall be extended for a fixed period, not to exceed one year.

(g) The admittance into petitioner's dwelling of an abusing party excluded from the dwelling under an order for protection is not a violation by the petitioner of the order for protection.

A peace officer is not liable under section 609.43, clause (1), for a failure to perform a duty required by clause (b).

Sec. 7. Minnesota Statutes 1990, section 609.02, is amended by adding a subdivision to read:

Subd. 14. [ELECTRONIC MONITORING DEVICE.] As used in sections 9, 13, and 16, "electronic monitoring device" means a radio frequency transmitter unit that is worn at all times on the person of a defendant in conjunction with a receiver unit that is located in the victim's residence or on the victim's person. The receiver unit emits an audible and visible signal whenever the defendant with a

transmitter unit comes within a designated distance from the receiver unit.

Sec. 8. Minnesota Statutes 1990, section 609.135, subdivision 5, is amended to read:

Subd. 5. If a person is convicted of assaulting a spouse or other person with whom the person resides, and the court stays imposition or execution of sentence and places the defendant on probation, the court ~~may~~ must condition the stay upon the defendant's participation in counseling or other appropriate programs selected by the court.

Sec. 9. Minnesota Statutes 1990, section 609.135, is amended by adding a subdivision to read:

Subd. 5b. [DOMESTIC ABUSE VICTIMS; ELECTRONIC MONITORING.] (a) Until the legislature has adopted standards governing electronic monitoring devices used to protect victims of domestic abuse, the court, as a condition of a stay of imposition or execution of a sentence, may not order an offender convicted of a crime described in paragraph (b) to use an electronic monitoring device to protect a victim's safety.

(b) This subdivision applies to the following crimes, if committed by the defendant against a family or household member as defined in section 518B.01, subdivision 2:

(1) violations of orders for protection issued under chapter 518B;

(2) assault in the first, second, third, or fifth degree under section 609.221, 609.222, 609.223, or 609.224;

(3) criminal damage to property under section 609.595;

(4) disorderly conduct under section 609.72;

(5) harassing telephone calls under section 609.79;

(6) burglary under section 609.582;

(7) trespass under section 609.605;

(8) criminal sexual conduct in the first, second, third, fourth, or fifth degree under section 609.342, 609.343, 609.344, 609.345, or 609.3451; and

(9) terroristic threats under section 609.713.

(c) Notwithstanding paragraph (a), the judges in the tenth judicial district may order, as a condition of a stay of imposition or execution of a sentence, a defendant convicted of a crime described in paragraph (b), to use an electronic monitoring device to protect the victim's safety. The judges shall make data on the use of electronic monitoring devices to protect a victim's safety in the tenth judicial district available to the commissioner of corrections to evaluate and to aid in development of standards for the use of devices to protect victims of domestic abuse.

Sec. 10. Minnesota Statutes 1990, section 609.19, is amended to read:

609.19 [MURDER IN THE SECOND DEGREE.]

Whoever does ~~either~~ any of the following is guilty of murder in the second degree and may be sentenced to imprisonment for not more than 40 years:

(1) Causes the death of a human being with intent to effect the death of that person or another, but without premeditation~~, or~~;

(2) Causes the death of a human being, without intent to effect the death of any person, while committing or attempting to commit a felony offense other than criminal sexual conduct in the first or second degree with force or violence; or

(3) Causes the death of a human being without intent to effect the death of any person, while intentionally inflicting or attempting to inflict bodily harm upon the victim, when the perpetrator is restrained under an order for protection issued under chapter 518B and the victim is a person designated to receive protection under the order.

Sec. 11. Minnesota Statutes 1990, section 609.224, subdivision 2, is amended to read:

Subd. 2. [GROSS MISDEMEANOR.] (a) Whoever violates the provisions of subdivision 1 against the same victim within five years of a previous conviction under subdivision 1 ~~or~~, sections 609.221 to 609.2231, or any similar law of another state, may be sentenced to imprisonment for not more than one year or to a payment of a fine of not more than $3,000, or both.

(b) Whoever violates the provisions of subdivision 1 within two years of a previous conviction under subdivision 1 or sections 609.221 to 609.2231 may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

Sec. 12. Minnesota Statutes 1990, section 609.605, is amended by adding a subdivision to read:

Subd. 4. [FELONY.] A person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both, if the person:

(1) is restrained by a temporary or permanent order for protection granted under section 518B.01;

(2) knows that the order has been issued;

(3) violates the order by entering the dwelling of the person who petitioned for the order; and

(4) enters the dwelling when the petitioner is present and without that person's consent.

Sec. 13. [611A.07] [ELECTRONIC MONITORING TO PROTECT DOMESTIC ABUSE VICTIMS; STANDARDS.]

Subdivision 1. [GENERALLY.] The commissioner of corrections, after considering the recommendations of the battered women advisory council and the sexual assault advisory council, and in collaboration with the commissioner of public safety, shall recommend standards governing electronic monitoring devices used to protect victims of domestic abuse. In developing proposed standards, the commissioner shall consider the experience of the courts in the tenth judicial district in the use of the devices to protect victims of domestic abuse. These standards shall promote the safety of the victim and shall include measures to avoid the disparate use of the device with communities of color, product standards, monitoring agency standards, and victim disclosure standards.

Subd. 2. [REPORT TO LEGISLATURE.] By January 1, 1993, the commissioner of corrections shall report to the legislature on the proposed standards for electronic monitoring devices used to protect victims of domestic abuse.

Sec. 14. [629.342] [LAW ENFORCEMENT POLICIES FOR DOMESTIC ABUSE ARRESTS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "domestic abuse" has the meaning given in section 518B.01, subdivision 2.

Subd. 2. [POLICIES REQUIRED.] Each law enforcement agency shall develop, adopt, and implement a written policy regarding arrest procedures for domestic abuse incidents. In the development of a policy, each law enforcement agency shall consult with domestic

abuse advocates, community organizations, and other law enforcement agencies with expertise in the recognition and handling of domestic abuse incidents. The policy shall discourage dual arrests and include consideration of whether one of the parties acted in self defense and consideration of other appropriate factors.

Subd. 3. [ASSISTANCE TO VICTIM WHERE NO ARREST.] If a law enforcement officer does not make an arrest when the officer has probable cause to believe that a person is committing or has committed domestic abuse or violated an order for protection, the officer shall provide immediate assistance to the victim. Assistance includes:

(1) assisting the victim in obtaining necessary medical treatment;

(2) providing the victim with the notice of rights under section 629.341, subdivision 3; and

(3) remaining at the scene for a reasonable time until, in the reasonable judgment of the officer, the likelihood of further imminent violence has been eliminated.

Subd. 4. [IMMUNITY.] A peace officer acting in good faith and exercising due care in providing assistance to a victim pursuant to subdivision 3 is immune from civil liability that might result from the officer's action.

Sec. 15. [629.531] [ELECTRONIC MONITORING AS A CONDITION OF PRETRIAL RELEASE.]

If a court orders electronic monitoring as a condition of pretrial release, it may not use the electronic monitoring as a determining factor in deciding what the appropriate level of the defendant's money bail or appearance bond should be.

Sec. 16. Minnesota Statutes 1990, section 629.72, is amended by adding a subdivision to read:

Subd. 2a. [ELECTRONIC MONITORING AS A CONDITION OF PRETRIAL RELEASE.] (a) Until the legislature has adopted standards governing electronic monitoring devices used to protect victims of domestic abuse, the court, as a condition of release, may not order a person arrested for a crime described in section 609.135, subdivision 5b, paragraph (b), to use an electronic monitoring device to protect a victim's safety.

(b) Notwithstanding paragraph (a), district courts in the tenth judicial district may order, as a condition of a release, a person arrested on a charge of a crime described in section 609.135, subdivision 5b, paragraph (b), to use an electronic monitoring device

to protect the victim's safety. The courts shall make data on the use of electronic monitoring devices to protect a victim's safety in the tenth judicial district available to the commissioner of corrections to evaluate and to aid in development of standards for the use of devices to protect victims of domestic abuse.

Sec. 17. Minnesota Statutes 1990, section 630.36, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] The issues on the calendar shall be disposed of in the following order, unless, upon the application of either party, for good cause, the court directs an indictment or complaint to be tried out of its order:

(1) indictments or complaints for felony, where the defendant is in custody;

(2) indictments or complaints for misdemeanor, where the defendant is in custody;

(3) indictments or complaints alleging child abuse, as defined in subdivision 2, where the defendant is on bail;

(4) indictments or complaints alleging domestic assault, as defined in subdivision 3, where the defendant is on bail;

(5) indictments or complaints for felony, where the defendant is on bail; and

~~(5)~~ (6) indictments or complaints for misdemeanor, where the defendant is on bail.

After a plea, the defendant shall be entitled to at least four days to prepare for trial, if the defendant requires it.

Sec. 18. Minnesota Statutes 1990, section 630.36, is amended by adding a subdivision to read:

Subd. 3. [DOMESTIC ASSAULT DEFINED.] As used in subdivision 1, "domestic assault" means an assault committed by the actor against a family or household member, as defined in section 518B.01, subdivision 2.

Sec. 19. [EFFECTIVE DATE.]

Sections 6, 8, and 10 to 12 are effective August 1, 1992, and apply to crimes committed on or after that date. Sections 3 and 4 are effective the day following final enactment.

ARTICLE 7

JUVENILES

Section 1. Minnesota Statutes 1990, section 242.19, subdivision 2, is amended to read:

Subd. 2. [DISPOSITIONS.] When a child has been committed to the commissioner of corrections by a juvenile court, upon a finding of delinquency, the commissioner may for the purposes of treatment and rehabilitation~~:~~, take any of the actions described in paragraphs (a) to (f).

(a) The commissioner may order the child's confinement to the Minnesota correctional facility-Red Wing or the Minnesota correctional facility-Sauk Centre, which shall accept the child, or to a group foster home under the control of the commissioner of corrections, or to private facilities or facilities established by law or incorporated under the laws of this state that may care for delinquent children~~;~~. If the commissioner determines that the child presents a danger to the public safety due to the nature of the child's delinquent act, the child's conduct in the correctional facility, or the child's past history of escape from confinement, the commissioner may order the child's confinement in a secure unit at the Minnesota correctional facility-Red Wing for the purpose of long-term secure confinement, treatment, and rehabilitation. The commissioner shall provide appropriate educational, treatment, and other rehabilitative programs to children confined in the secure unit. The commissioner may operate the programs using department employees or may contract with private or other public agencies or programs to provide these educational, treatment, and rehabilitative services.

(b) The commissioner may order the child's release on parole under such supervisions and conditions as the commissioner believes conducive to law-abiding conduct, treatment and rehabilitation~~;~~.

(c) The commissioner may order reconfinement or renewed parole as often as the commissioner believes to be desirable~~;~~.

(d) The commissioner may revoke or modify any order, except an order of discharge, as often as the commissioner believes to be desirable~~;~~.

(e) The commissioner may discharge the child when the commissioner is satisfied that the child has been rehabilitated and that such discharge is consistent with the protection of the public~~;~~.

(f) If the commissioner finds that the child is eligible for probation or parole and it appears from the commissioner's investigation that conditions in the child's or the guardian's home are not conducive to the child's treatment, rehabilitation, or law-abiding conduct, refer

the child, together with the commissioner's findings, to a county welfare board or a licensed child placing agency for placement in a foster care or, when appropriate, for initiation of child in need of protection or services proceedings as provided in sections 260.011 to 260.301. The commissioner of corrections shall reimburse county welfare boards for foster care costs they incur for the child while on probation or parole to the extent that funds for this purpose are made available to the commissioner by the legislature. The juvenile court shall order the parents of a child on probation or parole to pay the costs of foster care under section 260.251, subdivision 1, according to their ability to pay, and to the extent that the commissioner of corrections has not reimbursed the county welfare board.

Sec. 2. Minnesota Statutes 1990, section 260.155, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Except for hearings arising under section 260.261, hearings on any matter shall be without a jury and may be conducted in an informal manner. The rules of evidence promulgated pursuant to section 480.0591 and the law of evidence shall apply in adjudicatory proceedings involving a child alleged to be delinquent, in need of protection or services under section 260.015, subdivision 2a, clause (11) or (12), or a juvenile petty offender, and hearings conducted pursuant to section 260.125 except to the extent that the rules themselves provide that they do not apply. Except for proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may be continued or adjourned from time to time. In proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may not be continued or adjourned for more than one week unless the court makes specific findings that the continuance or adjournment is in the best interests of the child. If a hearing is held on a petition involving physical or sexual abuse of a child who is alleged to be in need of protection or services or neglected and in foster care, the court shall file the decision with the court administrator as soon as possible but no later than 15 days after the matter is submitted to the court. When a continuance or adjournment is ordered in any proceeding, the court may make any interim orders as it deems in the best interests of the minor in accordance with the provisions of sections 260.011 to 260.301. The court shall exclude the general public from these hearings and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court; except that, the court shall open the hearings to the public in delinquency proceedings where the child is alleged to have committed an offense or has been proven to have committed an offense that would be a felony if committed by an adult and the child was at least 16 years of age at the time of the offense. In all delinquency cases a person named in the charging clause of the petition as a person directly damaged in person or property shall be entitled, upon request, to be notified by the court

administrator in writing, at the named person's last known address, of (1) the date of the reference or adjudicatory hearings, and (2) the disposition of the case. Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.

Sec. 3. Minnesota Statutes 1990, section 260.181, is amended by adding a subdivision to read:

Subd. 3a. [REPORTS; JUVENILES PLACED OUT OF STATE.] (a) Whenever a child is placed in a residential program located outside of this state pursuant to a disposition order issued under section 260.185 or 260.191, the juvenile court administrator shall report the following information to the state court administrator:

(1) the fact that the placement is out of state;

(2) the type of placement; and

(3) the reason for the placement.

(b) By July 1, 1994, and each year thereafter, the state court administrator shall file a report with the legislature containing the information reported under paragraph (a) during the previous calendar year.

Sec. 4. Minnesota Statutes 1990, section 260.185, subdivision 4, is amended to read:

Subd. 4. All orders for supervision under subdivision 1, clause (b) shall be for an indeterminate period unless otherwise specified by the court, and shall be reviewed by the court at least annually. All orders under subdivision 1, clause (c) shall be for a specified length of time set by the court. However, before an order has expired and upon the court's own motion or that of any interested party, the court has continuing jurisdiction to renew the order or, after notice to the parties and a hearing, make some other disposition of the case, until the individual ~~is no longer a minor~~ becomes 19 years of age. Any person to whom legal custody is transferred shall report to the court in writing at such periods as the court may direct.

Sec. 5. Minnesota Statutes 1990, section 546.27, subdivision 1, is amended to read:

Subdivision 1. (a) When an issue of fact has been tried by the court, the decision shall be in writing, the facts found and the conclusion of law shall be separately stated, and judgment shall be entered accordingly. Except as provided in paragraph (b), all questions of fact and law, and all motions and matters submitted to a judge for a decision in trial and appellate matters, shall be disposed of and the decision filed with the court administrator within 90 days

after such submission, unless sickness or casualty shall prevent, or the time be extended by written consent of the parties. No part of the salary of any judge shall be paid unless the voucher therefor be accompanied by a certificate of the judge that there has been full compliance with the requirements of this section.

(b) If a hearing has been held on a petition under chapter 260 involving physical or sexual abuse of a child who is alleged to be in need of protection or services or neglected and in foster care, the decision must be filed within 15 days after the matter is submitted to the judge.

Sec. 6. [SENTENCING GUIDELINES MODIFICATION.] The sentencing guidelines commission shall modify clause (e) of sentencing guideline II.B.4 to exclude violent crimes, as defined in Minnesota Statutes, section 609.152, subdivision 1, from the maximum limit on the number of criminal history points an offender may receive for prior juvenile offenses, if the offender was represented by an attorney in the juvenile court proceedings concerning the prior offense.

Sec. 7. [EFFECTIVE DATE.]

Section 6 is effective August 1, 1992, and applies to crimes committed on or after that date.

ARTICLE 8

LAW ENFORCEMENT

Section 1. Minnesota Statutes 1990, section 13.87, subdivision 2, is amended to read:

Subd. 2. [CLASSIFICATION.] Criminal history data maintained by agencies, political subdivisions and statewide systems are classified as private, pursuant to section 13.02, subdivision 12, except that the identity of an individual who has been convicted of a crime and the offense of which the individual was convicted are public data for 15 years following the discharge of the sentence imposed for the offense.

Sec. 2. [169.797] [CRIMINAL PENALTY FOR FAILURE TO PRODUCE RENTAL OR LEASE AGREEMENT.]

Subdivision 1. [DEFINITION.] As used in this section:

(1) "rental or lease agreement" means a written agreement to rent or lease a motor vehicle that contains the name, address, and driver's license number of the renter or lessee; and

(2) "person" has the meaning given the term in section 645.44, subdivision 7.

Subd. 2. [REQUIREMENT.] Every person who rents or leases a motor vehicle in this state for a time period of less than 180 days shall have the rental or lease agreement covering the vehicle in possession at all times when operating the vehicle and shall produce it upon the demand of a peace officer. If the person is unable to produce the rental or lease agreement upon the demand of a peace officer, the person shall, within 14 days after the demand, produce the rental or lease agreement to the place stated in the notice provided by the peace officer. The rental or lease agreement may be mailed by the person as long as it is received within 14 days.

Subd. 3. [PENALTY.] A person who fails to produce a rental or lease agreement as required by this section is guilty of a misdemeanor. The peace officer may mail the citation to the address given by the person or to the address stated on the driver's license. This service by mail is valid notwithstanding section 629.34. It is not a defense that the person failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent after the 14-day period.

Subd. 4. [FALSE OR FICTITIOUS RENTAL OR LEASE AGREEMENT.] It is a misdemeanor for any person to alter or make a fictitious rental or lease agreement, or to display an altered or fictitious rental or lease agreement knowing or having reason to know the agreement is altered or fictitious.

Sec. 3. Minnesota Statutes 1990, section 259.11, is amended to read:

259.11 [ORDER; FILING COPIES.]

(a) Upon meeting the requirements of section 259.10, the court shall grant the application unless it finds that there is an intent to defraud or mislead or in the case of the change of a minor child's name, the court finds that such name change is not in the best interests of the child. The court shall set forth in the order the name and age of the applicant's spouse and each child of the applicant, if any, and shall state a description of the lands, if any, in which the applicant and the spouse and children, if any, claim to have an interest. The clerk shall file such order, and record the same in the judgment book. If lands be described therein, a certified copy of the order shall be filed for record, by the applicant, with the county recorder of each county wherein any of the same are situated. Before doing so the clerk shall present the same to the county auditor who shall enter the change of name in the auditor's official records and note upon the instrument, over an official signature, the words "change of name recorded." Any such order shall not be filed, nor any certified copy thereof be issued, until the applicant shall have paid to

the county recorder and clerk the fee required by law. No application shall be denied on the basis of the marital status of the applicant.

(b) When a person applies for a name change, the court shall determine whether the person has been convicted of a felony in this or any other state. If so, the court shall, within ten days after the name change application is granted, report the name change to the bureau of criminal apprehension. The person whose name is changed shall also report the change to the bureau of criminal apprehension within ten days. The court granting the name change application must explain this reporting duty in its order. Any person required to report the person's name change to the bureau of criminal apprehension who fails to report the name change as required under this paragraph is guilty of a gross misdemeanor.

Sec. 4. Minnesota Statutes 1990, section 626.843, subdivision 1, is amended to read:

Subdivision 1. [RULES REQUIRED.] The board shall adopt rules with respect to:

(a) The certification of peace officer training schools, programs, or courses including training schools for the Minnesota state patrol. Such schools, programs and courses shall include those administered by the state, county, school district, municipality, or joint or contractual combinations thereof, and shall include preparatory instruction in law enforcement and minimum basic training courses;

(b) Minimum courses of study, attendance requirements, and equipment and facilities to be required at each certified peace officers training school located within the state;

(c) Minimum qualifications for instructors at certified peace officer training schools located within this state;

(d) Minimum standards of physical, mental, and educational fitness which shall govern the recruitment and licensing of peace officers within the state, by any state, county, municipality, or joint or contractual combination thereof, including members of the Minnesota state patrol;

(e) Minimum standards of conduct which would affect the individual's performance of duties as a peace officer;

These standards shall be established and published on or before July 1, 1979.

(f) Minimum basic training which peace officers appointed to temporary or probationary terms shall complete before being eligible for permanent appointment, and the time within which such

basic training must be completed following any such appointment to a temporary or probationary term;

(g) Minimum specialized training which part-time peace officers shall complete in order to be eligible for continued employment as a part-time peace officer or permanent employment as a peace officer, and the time within which the specialized training must be completed;

(h) Content of minimum basic training courses required of graduates of certified law enforcement training schools or programs. Such courses shall not duplicate the content of certified academic or general background courses completed by a student but shall concentrate on practical skills deemed essential for a peace officer. Successful completion of such a course shall be deemed satisfaction of the minimum basic training requirement;

(i) Grading, reporting, attendance and other records, and certificates of attendance or accomplishment;

(j) The procedures to be followed by a part-time peace officer for notifying the board of intent to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to clause (g), and section 626.845, subdivision 1, clause (g);

(k) The establishment and use by any political subdivision or state law enforcement agency which employs persons licensed by the board of procedures for investigation and resolution of allegations of misconduct by persons licensed by the board. The procedures shall be in writing and shall be established on or before October 1, 1984;

(l) The issues that must be considered by each political subdivision and state law enforcement agency that employs persons licensed by the board in establishing procedures under section 626.5532 to govern the conduct of peace officers who are in pursuit of a vehicle being operated in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The adoption of specific procedures and requirements is within the authority of the political subdivision or agency; ~~and~~

(m) Supervision of part-time peace officers and requirements for documentation of hours worked by a part-time peace officer who is on active duty. These rules shall be adopted by December 31, 1993; and

(n) Such other matters as may be necessary consistent with sections 626.84 to 626.855. Rules promulgated by the attorney general with respect to these matters may be continued in force by resolution of the board if the board finds the rules to be consistent with sections 626.84 to 626.855.

Sec. 5. Minnesota Statutes 1990, section 626.8451, is amended to read:

626.8451 [TRAINING IN IDENTIFYING AND RESPONDING TO CERTAIN CRIMES ~~MOTIVATED BY BIAS~~.]

Subdivision 1. [TRAINING COURSE; CRIMES MOTIVATED BY BIAS.] The board must prepare a training course to assist peace officers in identifying and responding to crimes motivated by the victim's race, religion, national origin, sex, age, disability, or characteristics identified as sexual orientation. The course must include material to help officers distinguish bias crimes from other crimes, to help officers in understanding and assisting victims of these crimes, and to ensure that bias crimes will be accurately reported as required under section 626.5531. The course must be updated periodically as the board considers appropriate.

Subd. 1a. [TRAINING COURSE; CRIMES OF VIOLENCE AGAINST WOMEN AND CHILDREN.] The board must prepare a training course to assist peace officers in responding to crimes of violence against women and children. The course must include information about:

(1) the needs of victims of these crimes and the most effective way to meet those needs;

(2) the extent and causes of violence, which includes sexual abuse, physical violence, and neglect;

(3) identification of violence, which includes physical or sexual abuse and neglect; and

(4) culturally responsive approaches to dealing with victims and perpetrators of violence.

Subd. 2. [PRESERVICE TRAINING REQUIREMENT.] An individual may not be licensed as a peace officer ~~after August 1, 1990,~~ unless the individual has received the training described in subdivision 1. An individual is not eligible to take the peace officer licensing examination after August 1, 1994, unless the individual has received the training described in subdivision 1a.

Subd. 3. [IN-SERVICE TRAINING; BOARD REQUIREMENTS.] The board must provide to chief law enforcement officers instructional materials patterned after the materials developed by the board under ~~subdivision~~ subdivisions 1 and 1a. These materials must meet board requirements for continuing education credit and be updated periodically as the board considers appropriate. The board must also seek funding for an educational conference to inform and sensitize chief law enforcement officers and other inter-

ested persons to the law enforcement issues associated with bias crimes and crimes of violence against women and children. If funding is obtained, the board may sponsor the educational conference on its own or with other public or private entities.

Subd. 4. [IN-SERVICE TRAINING; CHIEF LAW ENFORCEMENT OFFICER REQUIREMENTS.] A chief law enforcement officer ~~must~~ shall inform all peace officers within the officer's agency of (1) the requirements of section 626.5531, (2) the availability of the instructional materials provided by the board under subdivision 3, and (3) the availability of continuing education credit for the completion of these materials. The chief law enforcement officer must also encourage these peace officers to review or complete the materials.

Sec. 6. Minnesota Statutes 1990, section 626.8465, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISION OF POWERS AND DUTIES.] No law enforcement agency shall utilize the services of a part-time peace officer unless the part-time peace officer exercises the part-time peace officer's powers and duties under the supervision~~, directly or indirectly~~ of a licensed peace officer designated by the chief law enforcement officer. Supervision also may be via radio communications. With the consent of the county sheriff, the designated supervising officer may be a member of the county sheriff's department.

Sec. 7. [DEPARTMENT OF PUBLIC SAFETY STUDY; FORGED OR ALTERED DRIVERS' LICENSES.]

The commissioner of public safety shall conduct a study to determine the feasibility and cost of changing the current Minnesota driver's licensing system to minimize the potential for the alteration or forgery of Minnesota drivers' licenses. Among other things, the commissioner shall reevaluate the use of temporary paper licenses, the materials with which drivers' licenses are currently made, the manner in which photographs are mounted on the license, and the current method by which expired licenses are marked.

The commissioner shall file a written report with the legislature by February 1, 1993, containing the commissioner's findings and recommendations for change.

Sec. 8. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1995. Sections 2 and 3 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 9

PROCEDURAL CHANGES

Section 1. Minnesota Statutes 1990, section 631.035, is amended to read:

631.035 [~~JOINTLY CHARGED~~ JOINDER OF DEFENDANTS; ~~SEPARATE OR JOINT TRIALS~~.]

Subdivision 1. [JOINDER OF DEFENDANTS.] When two or more defendants are jointly charged with a felony, ~~they may be tried separately or jointly in the discretion of~~ the court shall, upon the prosecutor's written motion, order a joint trial for any two or more of the defendants, subject to the provisions of subdivision 2. ~~In making its determination on whether to order joinder or separate trials, the court shall consider the nature of the offense charged, the impact on the victim, the potential prejudice to the defendant, and the interests of justice.~~

Subd. 2. [RELIEF FROM PREJUDICIAL JOINDER.] If it appears that a defendant or the prosecution is prejudiced by a joinder of defendants in a complaint or indictment or by joinder for trial together, the court may order an election or separate trials of counts, grant a severance of defendants, or provide whatever other relief justice requires. In ruling on a motion by a defendant for severance, the court may order the prosecutor to deliver to the court for inspection in camera any statements or confessions made by the defendants which the prosecution intends to introduce in evidence at the trial.

Subd. 3. [EFFECT OF STATUTE ON RULES.] Any rule of the Rules of Criminal Procedure conflicting with this section is superseded to the extent of its conflict.

Sec. 2. [SUPREME COURT BAIL STUDY.]

The supreme court is requested to study whether guidelines should be adopted in the rules of criminal procedure governing the minimum amount of money bail that should be required in cases involving persons accused of crimes against the person.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1992, and applies to proceedings commenced on or after that date.

ARTICLE 10

CIVIL LAW PROVISIONS

Section 1. Minnesota Statutes 1990, section 332.51, subdivision 1, is amended to read:

Subdivision 1. [LIABILITY FOR THEFT OF PROPERTY.] A person who steals personal property from another is civilly liable to the owner of the property for its value when stolen plus punitive damages of ~~either~~ $50 ~~or up to 100 percent of its value when stolen, whichever is greater~~. If the property is merchandise stolen from a retail store, its value is the retail price of the merchandise in the store when the theft occurred.

Sec. 2. Minnesota Statutes 1990, section 332.51, subdivision 5, is amended to read:

Subd. 5. [RECOVERY OF PROPERTY.] The recovery of stolen property by a person does not affect liability under this section, ~~other than~~ except that there will be no liability for the value of the property if the property is recovered before it leaves the owner's premises or if it is recovered without any decrease in its retail value.

Sec. 3. [617.245] [CIVIL ACTION; USE OF A MINOR IN A SEXUAL PERFORMANCE.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Minor" means any person who, at the time of use in a sexual performance, is under the age of 16.

(c) "Promote" means to produce, direct, publish, manufacture, issue, or advertise.

(d) "Sexual performance" means any play, dance, or other exhibition presented before an audience or for purposes of visual or mechanical reproduction which depicts sexual conduct as defined by paragraph (e).

(e) "Sexual conduct" means any of the following if the depiction involves a minor:

(1) an act of sexual intercourse, normal or perverted, actual or simulated, including genital-genital, anal-genital, or oral-genital intercourse, whether between human beings or between a human being and an animal;

(2) sadomasochistic abuse, meaning flagellation, torture, or simi-

lar demeaning acts inflicted by or upon a minor who is nude, or the condition of being fettered, bound, or otherwise physically restrained on the part of one so unclothed;

(3) masturbation or lewd exhibitions of the genitals; and

(4) physical contact or simulated physical contact with the clothed or unclothed pubic areas or buttocks of a human male or female, or the breasts of the female, whether alone or between members of the same or opposite sex or between humans and animals in an act of apparent sexual stimulation or gratification.

Subd. 2. [CAUSE OF ACTION.] A cause of action exists for injury caused by the use of a minor in a sexual performance. The cause of action exists against a person who promotes, employs, uses, or permits a minor to engage or assist others to engage in posing or modeling alone or with others in a sexual performance, if the person knows or has reason to know that the conduct intended is a sexual performance.

A person found liable for injuries under this section is liable to the minor for damages.

Neither consent to sexual performance by the minor or by the minor's parent, guardian, or custodian, or mistake as to the minor's age is a defense to the action.

Subd. 3. [LIMITATION PERIOD.] An action for damages under this section must be commenced within six years of the time the plaintiff knew or had reason to know injury was caused by plaintiff's use as a minor in a sexual performance. The knowledge of a parent, guardian, or custodian may not be imputed to the minor. This section does not affect the suspension of the statute of limitations during a period of disability under section 541.15.

Sec. 4. Laws 1991, chapter 232, section 5, is amended to read:

Sec. 5. [APPLICABILITY.]

Notwithstanding any other provision of law, a plaintiff whose claim would otherwise be time-barred under Minnesota Statutes 1990 has until August 1, 1992, to commence a cause of action for damages based on personal injury caused by sexual abuse if the action is based on an intentional tort committed against the plaintiff.

Sec. 5. [EFFECTIVE DATE.]

Section 4 is effective retroactive to August 1, 1991, and applies to actions pending on or commenced on or after that date.

ARTICLE 11

TREATMENT PROGRAMS

Section 1. [145.9265] [FETAL ALCOHOL SYNDROME AND EFFECTS AND DRUG-EXPOSED INFANT PREVENTION.]

The commissioner of health, in coordination with the commissioner of education and the commissioner of human services, shall design and implement a coordinated prevention effort to reduce the rates of fetal alcohol syndrome and fetal alcohol effects, and reduce the number of drug-exposed infants. The commissioner shall:

(1) conduct research to determine the most effective methods of preventing fetal alcohol syndrome, fetal alcohol effects, and drug-exposed infants and to determine the best methods for collecting information on the incidence and prevalence of these problems in Minnesota;

(2) provide training on effective prevention methods to health care professionals and human services workers; and

(3) operate a statewide media campaign focused on reducing the incidence of fetal alcohol syndrome and fetal alcohol effects, and reducing the number of drug-exposed infants.

Sec. 2. [145A.15] [HOME VISITING PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health shall establish, within the division of community health services, a grant program designed to prevent child abuse and neglect by providing early intervention services for families at risk of child abuse and neglect. The grant program will include:

(1) expansion of current public health nurse and family aide home visiting programs;

(2) distribution of educational and public information programs and materials in hospital maternity divisions, well-baby clinics, obstetrical clinics, and community clinics; and

(3) training of home visitors.

Subd. 2. [GRANT RECIPIENTS.] The commissioner is authorized to award grants to programs that meet the requirements of subdivision 3 and that are targeted to at-risk families. Families considered to be at-risk for child abuse and neglect include, but are not limited to, families with:

(1) adolescent parents;

(2) a history of alcohol and other drug abuse;

(3) a history of child abuse, domestic abuse, or other dysfunction in the family of origin;

(4) a history of domestic abuse, rape, or other forms of victimization;

(5) reduced cognitive functioning;

(6) a lack of knowledge of child growth and development stages; or

(7) difficulty dealing with stress, including stress caused by discrimination, mental illness, a high incidence of crime or poverty in the neighborhood, unemployment, divorce, and lack of basic needs, often found in conjunction with a pattern of family isolation.

Subd. 3. [PROGRAM REQUIREMENTS.] (a) The commissioner shall award grants, using a request for proposal system, to programs designed to:

(1) develop a risk assessment tool and offer direct home visiting services to at-risk families including, but not limited to, education on: parenting skills, child development and stages of growth, communication skills, stress management, problem-solving skills, positive child discipline practices, methods to improve parent-child interactions and enhance self-esteem, community support services and other resources, and how to enjoy and have fun with your children;

(2) establish clear objectives and protocols for the home visits;

(3) determine the frequency and duration of home visits based on a risk-need assessment of the client; except that home visits shall begin in the second trimester of pregnancy and continue based on the need of the client until the child reaches age six;

(4) develop and distribute educational resource materials and offer presentations on the prevention of child abuse and neglect for use in hospital maternity divisions, well-baby clinics, obstetrical clinics, and community clinics; and

(5) coordinate with other local home visitation programs, particularly those offered by school boards under section 121.882, subdivision 2b, so as to avoid duplication.

(b) Programs must provide at least 40 hours of training for public health nurses, family aides, and other home visitors. Training must include information on the following:

(1) the dynamics of child abuse and neglect, domestic violence, and victimization within family systems;

(2) signs of abuse or other indications that a child may be at risk of abuse or neglect;

(3) what is child abuse and neglect;

(4) how to properly report cases of child abuse and neglect;

(5) respect for cultural preferences in child rearing;

(6) community resources, social service agencies, and family support activities or programs;

(7) child development and growth;

(8) parenting skills;

(9) positive child discipline practices;

(10) identification of stress factors and stress reduction techniques;

(11) home visiting techniques; and

(12) risk assessment measures.

Program services must be community-based, accessible, and culturally relevant and must be designed to foster collaboration among existing agencies and community-based organizations.

Subd. 4. [EVALUATION.] Each program that receives a grant under this section must include a plan for program evaluation designed to measure the effectiveness of the program in preventing child abuse and neglect. On January 1, 1994, and annually thereafter, the commissioner of health shall submit a report to the legislature on all activities initiated in the prior biennium under this section. The report shall include information on the outcomes reported by all programs that received grant funds under this section in that biennium.

Sec. 3. Minnesota Statutes 1990, section 241.021, is amended by adding a subdivision to read:

Subd. 4a. [CHEMICAL DEPENDENCY TREATMENT PROGRAMS.] All residential chemical dependency treatment programs operated by the commissioner of corrections to treat adults and juveniles committed to the commissioner's custody shall comply

with the standards mandated in Minnesota Rules, parts 9530.4100 to 9530.4450, for treatment programs operated by community-based residential treatment facilities.

Sec. 4. Minnesota Statutes 1990, section 241.67, subdivision 1, is amended to read:

Subdivision 1. [SEX OFFENDER TREATMENT.] A sex offender treatment system is established under the administration of the commissioner of corrections to provide and finance a range of sex offender treatment programs for eligible adults and juveniles. ~~Eligible~~ Offenders who are eligible to receive treatment, within the limits of available funding, are:

(1) adults and juveniles committed to the custody of the commissioner;

(2) adult offenders for whom treatment is required by the court as a condition of probation; ~~and~~

(3) juvenile offenders who have been found delinquent or received a stay of adjudication, for whom the juvenile court has ordered treatment; and

(4) adults and juveniles who are eligible for community-based treatment under the sex offender treatment fund established in section 6.

Sec. 5. Minnesota Statutes 1990, section 241.67, subdivision 2, is amended to read:

Subd. 2. [TREATMENT PROGRAM STANDARDS.] ~~By July 1, 1991,~~ (a) The commissioner shall adopt rules under chapter 14 for the certification of adult and juvenile sex offender treatment programs in state and local correctional facilities. The rules shall require that sex offender treatment programs be at least four months in duration. ~~After July 1, 1991,~~ A correctional facility may not operate a sex offender treatment program unless the program has met the standards adopted by and been certified by the commissioner of corrections. As used in this subdivision, "correctional facility" has the meaning given it in section 241.021, subdivision 1, clause (5).

(b) By July 1, 1993, the commissioner shall adopt rules under chapter 14 for the certification of community-based adult and juvenile sex offender treatment programs not operated in state or local correctional facilities. To the extent possible, the rules must minimize paperwork and administrative requirements, encourage creativity and experimentation, recognize any regional variation in needs and conditions that exists in the state, and emphasize treat-

ment outcomes rather than prescriptive standards and procedural requirements.

(c) In addition to other certification requirements established under paragraphs (a) and (b), rules adopted by the commissioner must require all certified programs to participate in an ongoing outcome-based evaluation and quality management system established by the commissioner.

Sec. 6. [241.68] [SEX OFFENDER TREATMENT FUND.]

Subdivision 1. [TREATMENT FUND ADMINISTRATION.] A sex offender treatment fund is established to pay for community-based sex offender treatment for adults and juveniles. The commissioner of corrections and the commissioner of human services shall establish an interagency staff work group to coordinate agency activities relating to sex offender treatment. The commissioner of human services is responsible for administering the sex offender treatment fund, including establishing requirements for submitting claims for payment, paying vendors, collecting the county share required under subdivision 8, and enforcing the county maintenance of effort requirement in subdivision 7. The commissioner of corrections is responsible for overseeing and coordinating a statewide sex offender treatment system under section 241.67, subdivision 1; certifying sex offender treatment providers under section 241.67, subdivision 2, paragraph (b); establishing eligibility criteria and an assessment process under subdivision 3; determining county allocations of treatment fund money under subdivision 4; and approving special project grants under subdivision 5. The county is responsible for developing and coordinating sex offender treatment services within the county under the supervision of the commissioner of corrections, approving sex offender treatment vendors under subdivision 9, approving persons for treatment within the limits of the county's allocation of treatment fund money under subdivision 4, and selecting an eligible vendor to provide the appropriate level of treatment to each person who is eligible to receive treatment and for whom funding is available. The assessment of eligibility and treatment needs under subdivision 3 must be conducted by the agency responsible for probation services. If this agency is not a county agency, the county shall enter into an agreement with the agency that prescribes the process for county approval of treatment and treatment vendors within the limits of the county's allocation of treatment fund money. The commissioner of corrections shall adopt rules under chapter 14 governing the sex offender treatment fund. At the request of the commissioner of corrections, the commissioner of human services shall provide technical assistance relating to the administration of the treatment fund. The commissioner may adopt emergency rules in order to establish the sex offender treatment fund and begin making payments out of the fund beginning July 1, 1993.

Subd. 2. [PERSONS ELIGIBLE TO RECEIVE TREATMENT.]

Within the limits of available funding, the sex offender treatment fund pays for sex offender treatment for sex offenders who have been ordered by the court to receive treatment and high-risk persons who seek treatment voluntarily. For purposes of this section, a sex offender is an adult who has been convicted of, or a juvenile who has been adjudicated to be delinquent based on a violation of, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.746, 609.79, 617.23, 617.246, or 617.247, or another offense arising out of a charge based on one or more of these sections. The treatment fund pays for treatment only to the extent that the costs of treatment cannot be met by the person's income or assets, health coverage, or other resources. Payment may be made on behalf of eligible persons only if:

(1) the person has been assessed and determined to be in need of community-based treatment under subdivision 3;

(2) the county has approved treatment and designated a treatment vendor within the limits of the county's allocation of money under subdivision 4;

(3) the person received the appropriate level of treatment as determined through the assessment process;

(4) the person received services from a vendor certified by the commissioner of corrections under section 241.67, subdivision 2, paragraph (b); and

(5) the vendor submitted a claim for payment in accordance with requirements established by the commissioner of human services.

Subd. 3. [ASSESSMENT.] The commissioner of corrections shall establish a process and criteria for assessing the eligibility and treatment needs of persons on whose behalf payment from the sex offender treatment fund is sought. The assessment determines: (1) whether the individual is eligible under subdivision 2; (2) the person's ability to contribute to the cost of treatment; (3) whether a need for treatment exists; (4) if treatment is needed, the appropriate level of treatment; and (5) if the person is seeking treatment voluntarily, whether the person represents a high risk of becoming a sex offender in the absence of intervention and treatment. The commissioner shall develop a sliding fee scale to determine the amount of the contribution required from persons who have income or other financial resources. The fee scale must require persons whose income and assets are above the limits for the medical assistance program to contribute to the cost of the assessment and treatment and require persons whose income is above the state median income to pay the entire cost of assessment and treatment.

Subd. 4. [COUNTY ALLOCATIONS.] (a) For the first year of the sex offender treatment fund, the money appropriated for the treat-

ment fund must be allocated among the counties according to the following formula:

(1) two-thirds based on the number of sex offender convictions or adjudications in the county in the previous year; and

(2) one-third based on county population.

(b) Any balance remaining in the fund at the end of the first year of the fund does not cancel and is available for the next year. Any balance remaining in subsequent years does not carry forward unless specifically authorized by the legislature.

(c) For the second year of the fund, an amount equal to the balance carried forward from the first year, plus any legislative appropriation for special project grants, must be reserved for special projects under subdivision 5. This becomes the base funding level for special project grants. The appropriation for the treatment fund must be allocated to counties in proportion to the amount actually paid out of each county's treatment fund allocation in the previous year.

(d) For the third and subsequent years of the fund, the appropriation for the sex offender treatment fund must be allocated to counties in proportion to the previous year's allocations. Any increase or decrease in funding for the sex offender treatment fund must be allocated proportionately among counties.

(e) For the second and subsequent years of the treatment fund, a reduction in the special projects base funding and a corresponding increase in a county's sex offender treatment fund allocation may be made under subdivision 5.

Subd. 5. [SPECIAL PROJECT GRANTS.] The commissioner of corrections shall approve grants to counties for special projects using the money reserved for special projects under subdivision 4, paragraph (c), and any appropriations specifically designated for sex offender treatment special projects. Special project grants may be used to develop new sex offender treatment services or providers, develop or test new treatment methods, educate courts and corrections personnel on treatment programs and methods, address special treatment needs in a particular county, or provide additional funding to counties that demonstrate that their treatment needs cannot be met within their formula allocation under subdivision 4. For the first three years of the fund, highest priority for special project grants must be given to counties that spent less than their allocation under the formula in subdivision 4, paragraph (a), during the previous year; demonstrate a significant need to increase their spending for sex offender treatment; and submit a detailed plan for improving their sex offender treatment system. For these high priority counties, upon successful completion of a special project the commissioner shall increase that county's base allocation under

subdivision 4 for subsequent years by the amount of the special project grant or another amount determined by the commissioner and agreed to by the county as a condition of receiving a special project grant. The base funding level for special projects for the subsequent year must be reduced by the amount of the increase in the county's base allocation. After the third year of the treatment fund, the commissioner may allocate up to 40 percent of the special project grant money to increase the base allocation of treatment fund money for those counties that demonstrate the greatest need to increase funding for sex offender treatment. The base funding level for special projects must be reduced by the amount of the increase in counties' base allocations.

Subd. 6. [COUNTY ADMINISTRATION.] A county may use up to five percent of the money allocated to it under subdivision 4 for administrative costs associated with the sex offender treatment fund, including the costs of assessment and referral of persons for treatment, state administrative and reporting requirements, service development, and other activities directly related to sex offender treatment. Nothing in this section requires a county to spend local money or commit local resources in addition to state money provided under this section, except as provided in subdivisions 7 and 8.

Subd. 7. [MAINTENANCE OF EFFORT.] As a condition of receiving an allocation of money from the sex offender treatment fund under this section, a county must agree not to reduce the level of funding provided for sex offender treatment below the average annual funding level for calendar years 1989, 1990, and 1991.

Subd. 8. [COUNTY MATCH.] The county share of the cost of treatment provided through the sex offender treatment fund is ten percent. By the 15th of each month, a county shall pay to the commissioner of human services the county share of services approved by the county for payment out of the sex offender treatment fund during the previous month, subject to future settle-up based on actual payments made. Payments made under this subdivision may be used to satisfy the maintenance of effort requirement under subdivision 7.

Subd. 9. [ELIGIBILITY OF VENDORS.] To be eligible to receive payment from the sex offender treatment fund, a vendor must be certified by the commissioner of corrections under section 241.67, subdivision 2, paragraph (b), and must comply with billing and reporting requirements established by the commissioner of human services. A county may become certified and approved as a vendor by satisfying the same requirements that apply to other vendors.

Subd. 10. [START-UP GRANTS.] Within the limits of appropriations made specifically for this purpose, the commissioner of corrections shall award grants to counties or providers for the initial start-up costs of establishing new certified, community-based sex

offender treatment programs eligible for reimbursement under the sex offender treatment fund. In awarding the grants, the commissioner shall promote a statewide system of sex offender treatment programs that will provide reasonable geographic access to treatment throughout the state.

Subd. 11. [COORDINATION OF FUNDING FOR SEX OFFENDER TREATMENT.] The commissioners of corrections and human services shall identify all sources of funding for sex offender treatment in the state and develop methods of coordinating funding sources.

Sec. 7. Minnesota Statutes 1991 Supplement, section 245.484, is amended to read:

245.484 [RULES.]

The commissioner shall adopt emergency rules to govern implementation of case management services for eligible children in section 245.4881 and professional home-based family treatment services for medical assistance eligible children, in section 245.4884, subdivision 3, by January 1, 1992, and must adopt permanent rules by January 1, 1993.

The commissioner shall adopt permanent rules as necessary to carry out sections 245.461 to 245.486 and 245.487 to 245.4888. The commissioner shall reassign agency staff as necessary to meet this deadline.

By January 1, 1993, the commissioner shall adopt permanent rules specifying program requirements for family community support services.

Sec. 8. Minnesota Statutes 1990, section 245.4871, is amended by adding a subdivision to read:

Subd. 9a. [CRISIS ASSISTANCE.] "Crisis assistance" means assistance to the child, family, and the child's school in recognizing and resolving a mental health crisis. It shall include, at a minimum, working with the child, family, and school to develop a crisis assistance plan. Crisis assistance does not include services designed to secure the safety of a child who is at risk of abuse or neglect or necessary emergency services.

Sec. 9. Minnesota Statutes 1991 Supplement, section 245.4884, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF FAMILY COMMUNITY SUPPORT SERVICES.] By July 1, 1991, county boards must provide or contract for sufficient family community support services within the

county to meet the needs of each child with severe emotional disturbance who resides in the county and the child's family. Children or their parents may be required to pay a fee in accordance with section 245.481.

Family community support services must be designed to improve the ability of children with severe emotional disturbance to:

(1) manage basic activities of daily living;

(2) function appropriately in home, school, and community settings;

(3) participate in leisure time or community youth activities;

(4) set goals and plans;

(5) reside with the family in the community;

(6) participate in after-school and summer activities;

(7) make a smooth transition among mental health and education services provided to children; and

(8) make a smooth transition into the adult mental health system as appropriate.

In addition, family community support services must be designed to improve overall family functioning if clinically appropriate to the child's needs, and to reduce the need for and use of placements more intensive, costly, or restrictive both in the number of admissions and lengths of stay than indicated by the child's diagnostic assessment.

The commissioner of human services shall work with mental health professionals to develop standards for clinical supervision of family community support services. These standards shall be incorporated in rule and in guidelines for grants for family community support services.

Sec. 10. Minnesota Statutes 1990, section 254A.14, is amended by adding a subdivision to read:

Subd. 3. [GRANTS FOR TREATMENT OF HIGH-RISK YOUTH.] The commissioner of human services shall award grants on a pilot project basis to develop culturally specific chemical dependency treatment programs for minority and other high-risk youth, including those enrolled in area learning centers, those presently in residential chemical dependency treatment, and youth currently under commitment to the commissioner of corrections or detained under chapter 260. Proposals submitted under this section shall

include an outline of the treatment program components, a description of the target population to be served, and a protocol for evaluating the program outcomes.

Sec. 11. Minnesota Statutes 1990, section 254A.17, subdivision 1, is amended to read:

Subdivision 1. [MATERNAL AND CHILD SERVICE PROGRAMS.] (a) The commissioner shall fund maternal and child health and social service programs designed to improve the health and functioning of children born to mothers using alcohol and controlled substances. Comprehensive programs shall include immediate and ongoing intervention, treatment, and coordination of medical, educational, and social services through a child's preschool years. Programs shall also include research and evaluation to identify methods most effective in improving outcomes among this high-risk population.

(b) The commissioner of human services shall develop models for the treatment of children ages 6 to 12 who are in need of chemical dependency treatment. The commissioner shall fund at least two pilot projects with qualified providers to provide nonresidential treatment for children in this age group. Model programs must include a component to monitor and evaluate treatment outcomes.

Sec. 12. Minnesota Statutes 1990, section 254A.17, is amended by adding a subdivision to read:

Subd. 1a. [PROGRAMS FOR PREGNANT WOMEN AND WOMEN WITH CHILDREN.] Within the limits of funds available, the commissioner of human services shall fund programs providing specialized chemical dependency treatment for pregnant women and women with children. The programs shall provide prenatal care, child care, housing assistance, and other services needed to ensure successful treatment.

Sec. 13. [256.995] [SCHOOL-LINKED SERVICES FOR AT-RISK CHILDREN AND YOUTH.]

Subdivision 1. [PROGRAM ESTABLISHED.] In order to enhance the delivery of needed services to at-risk children and youth and maximize federal funds available for that purpose, the commissioner of human services shall design a statewide program of collaboration between providers of health and social services for children and local school districts, to be financed, to the greatest extent possible, from federal sources. The commissioners of health, education, and public safety shall assist the commissioner of human services in designing the program.

Subd. 2. [AT-RISK CHILDREN AND YOUTH.] The program shall

target at-risk children and youth, defined as individuals, whether or not enrolled in school, who are under 21 years of age and who:

(1) are school dropouts;

(2) have failed in school;

(3) have become pregnant;

(4) are economically disadvantaged;

(5) are children of drug or alcohol abusers;

(6) are victims of physical, sexual, or psychological abuse;

(7) have committed a violent or delinquent act;

(8) have experienced mental health problems;

(9) have attempted suicide;

(10) have experienced long-term physical pain due to injury;

(11) are at risk of becoming or have become drug or alcohol abusers or chemically dependent;

(12) have experienced homelessness;

(13) have been excluded or expelled from school under sections 127.26 to 127.39; or

(14) have been adjudicated children in need of protection or services.

Subd. 3. [SERVICES.] The program must be designed not to duplicate existing programs, but to enable schools to collaborate with county social service agencies and county health boards and with local public and private providers to assure that at-risk children and youth receive health care, mental health services, family drug and alcohol counseling, and needed social services. Screenings and referrals under this program shall not duplicate screenings under section 123.702.

Subd. 4. [FUNDING.] The program must be designed to take advantage of available federal funding, including the following:

(1) child welfare funds under United States Code, title 42, sections 620-628 (1988) and United States Code, title 42, sections 651-669 (1988);

(2) funds available for health care and health care screening under medical assistance, United States Code, title 42, section 1396 (1988);

(3) social services funds available under United States Code, title 42, section 1397 (1988);

(4) children's day care funds available under federal transition year child care, the Family Support Act, Public Law Number 100-485; federal at-risk child care program, Public Law Number 101-5081; and federal child care and development block grant, Public Law Number 101-5082; and

(5) funds available for fighting drug abuse and chemical dependency in children and youth, including the following:

(i) funds received by the office of drug policy under the federal Anti-Drug Abuse Act and other federal programs;

(ii) funds received by the commissioner of human services under the federal alcohol, drug abuse, and mental health block grant; and

(iii) funds received by the commissioner of human services under the drug-free schools and communities act.

Subd. 5. [WAIVERS.] The commissioner of human services shall collaborate with the commissioners of education, health, and public safety to seek the federal waivers necessary to secure federal funds for implementing the statewide school-based program mandated by this section. Each commissioner shall amend the state plans for programs specified in subdivision 3, to the extent necessary to ensure the availability of federal funds for the school-based program.

Subd. 6. [PILOT PROJECTS.] Within 90 days of receiving the necessary federal waivers, the commissioner of human services shall implement at least two pilot programs that link health and social services in the schools. One program shall be located in a school district in the seven-county metropolitan area. The other program shall be located in a greater Minnesota school district. The commissioner of human services, in collaboration with the commissioner of education, shall select the pilot programs on a request for proposal basis. The commissioners shall give priority to school districts with some expertise in colocating services for at-risk children and youth. Programs funded under this subdivision must:

(1) involve a plan for collaboration between a school district and at least two local social service or health care agencies to provide services for which federal funds are available to at-risk children or youth;

(2) include parents or guardians in program planning and implementation;

(3) contain a community outreach component; and

(4) include protocol for evaluating the program.

Subd. 7. [REPORT.] The commissioner of human services shall report to the legislature by January 15, 1993, on the design and status of the statewide program for school-linked services. The report shall include the following:

(1) a complete program design for assuring the implementation of health and human services for children within school districts statewide;

(2) a statewide funding plan based on the use of federal funds, including federal funds available only through waiver;

(3) copies of the waiver requests and information on the status of requests for federal approval;

(4) status of the pilot program development; and

(5) recommendations for statewide implementation of the school-linked services program.

Sec. 14. Minnesota Statutes 1990, section 260.151, subdivision 1, is amended to read:

Subdivision 1. Upon request of the court the county welfare board or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260.111 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court.

The court shall have a chemical use assessment conducted when: (1) a child is ~~(1)~~ found to be delinquent for violating a provision of chapter 152, ~~or~~; (2) a child is alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order; or (3) a child has violated a condition of release imposed by the court under section 260.172, subdivision 2c, relating to abstinence from the use of chemicals. The assessor's qualifications and the assessment criteria shall comply with Minnesota Rules, parts 9530.6600 to 9530.6655. If funds under chapter 254B are to be used to pay for the recommended treatment, the assessment and placement must comply with all provisions of Minnesota Rules, parts 9530.6600 to 9530.6655 and 9530.7000 to 9530.7030. The

commissioner of public safety shall reimburse the court for the cost of the chemical use assessment, up to a maximum of $100.

With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration in the disposition of the case. Adoption investigations shall be conducted in accordance with the laws relating to adoptions. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Sec. 15. [260.152] [MENTAL HEALTH SCREENING OF JUVENILES IN DETENTION.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of human services, in cooperation with the commissioner of corrections, shall establish two pilot projects in counties to reduce the recidivism rates of juvenile offenders, by identifying and treating underlying mental health problems that contribute to delinquent behavior and can be addressed through nonresidential services. At least one of the pilot projects must be in the seven-county metropolitan area and at least one must be in greater Minnesota.

Subd. 2. [PROGRAM COMPONENTS.] The commissioners of corrections and human services shall, in consultation with the Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans, provide grants to the counties for the pilot projects. The projects shall build upon the existing service capabilities in the community and must include:

(1) screening for mental health problems of all juveniles admitted before adjudication to a secure detention facility as defined in section 260.015, subdivision 16, and any juvenile alleged to be delinquent as that term is defined in section 260.015, subdivision 5, who is admitted to a shelter care facility, as defined in section 260.015, subdivision 17;

(2) referral for mental health assessment of all juveniles for whom the screening indicates a need. This assessment is to be provided by the appropriate mental health professional. If the juvenile is of a minority race or minority ethnic heritage, the mental health professional must be skilled in and knowledgeable about the juvenile's

racial and ethnic heritage, or must consult with a special mental health consultant who has such knowledge so that the assessment is relevant, culturally specific, and sensitive to the juvenile's cultural needs; and

(3) upon completion of the assessment, access to or provision of nonresidential mental health services identified as needed in the assessment.

Subd. 3. [SCREENING TOOL.] The commissioner of human services and the commissioner of corrections shall jointly develop a model screening tool to screen juveniles held in juvenile detention to determine if a mental health assessment is needed. This tool must contain specific questions to identify potential mental health problems. In implementing a pilot project, a county must either use this model tool or another screening tool approved by the commissioner of human services which meets the requirements of this section.

Subd. 4. [PROGRAM REQUIREMENTS.] To receive funds, the county program proposal shall be a joint proposal with all affected local agencies, resulting in part from consultation with the local coordinating council established under section 245.4873, subdivision 3, and the local mental health advisory council established under section 245.4875, subdivision 5, and shall contain the following:

(1) evidence of interagency collaboration by all publicly funded agencies serving juveniles with emotional disturbances, including evidence of consultation with the agencies listed in this section;

(2) a signed agreement by the local court services and local mental health and county social service agencies to work together on the following: development of a program; development of written interagency agreements and protocols to ensure that the mental health needs of juvenile offenders are identified, addressed, and treated; and development of a procedure for joint evaluation of the program;

(3) a description of existing services that will be used in this program;

(4) a description of additional services that will be developed with program funds, including estimated costs and numbers of juveniles to be served; and

(5) assurances that funds received by a county under this section will not be used to supplant existing mental health funding for which the juvenile is eligible.

The commissioner of human services and the commissioner of corrections shall jointly determine the application form, information

needed, deadline for application, criteria for awards, and a process for providing technical assistance and training to counties. The technical assistance shall include information about programs that have been successful in reducing recidivism by juvenile offenders.

Subd. 5. [INTERAGENCY AGREEMENTS.] To receive funds, the county must agree to develop written interagency agreements between local court services agencies and local county mental health agencies within six months of receiving the initial program funds. These agreements shall include a description of each local agency's responsibilities, with a detailed assignment of the tasks necessary to implement the program. The agreement shall state how they will comply with the confidentiality requirements of the participating local agencies.

Subd. 6. [EVALUATION.] The commissioner of human services and the commissioner of corrections shall, in consultation with the Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans, develop systems and procedures for evaluating the pilot projects. The departments must develop an interagency management information system to track juveniles who receive mental health and chemical dependency services. The system must be designed to meet the information needs of the agencies involved and to provide a basis for evaluating outcome data. The system must be designed to track the mental health treatment of juveniles released from custody and to improve the planning, delivery, and evaluation of services and increase interagency collaboration. The evaluation protocol must be designed to measure the impact of the program on juvenile recidivism, school performance, and state and county budgets.

Subd. 7. [REPORT.] On January 1, 1994, and annually after that, the commissioner of corrections and the commissioner of human services shall present a joint report to the legislature on the pilot projects funded under this section. The report shall include information on the following:

(1) the number of juvenile offenders screened and assessed;

(2) the number of juveniles referred for mental health services, the types of services provided, and the costs;

(3) the number of subsequently adjudicated juveniles that received mental health services under this program; and

(4) the estimated cost savings of the program and the impact on crime.

Sec. 16. Minnesota Statutes 1990, section 260.172, is amended by adding a subdivision to read:

Subd. 2c. [CONDITIONS OF RELEASE.] If the court releases from detention a child alleged to have committed a delinquent act, the court may impose reasonable conditions of release on the child including, but not limited to, a requirement that the child abstain from the use of alcohol and drugs. If the child violates a condition of release requiring abstinence from the use of chemicals, the court shall order a chemical use assessment as provided in section 260.151, subdivision 1.

Sec. 17. Minnesota Statutes 1990, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for the child's conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) a child placing agency; or

(2) the county welfare board; or

(3) a reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245A.01 to 245A.16; or

(4) a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to $700; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

If the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342, 609.343, 609.344, or 609.345, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If the assessment indicates that the child is in need of and amenable to sex offender treatment, the court shall include in its disposition order a requirement that the child undergo treatment.

If the child is found delinquent due to the commission of an offense that would be a felony if committed by an adult, the court shall make a specific finding on the record regarding the juvenile's mental health and chemical dependency treatment needs.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) why the best interests of the child are served by the disposition ordered; and

(b) what alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

Sec. 18. Minnesota Statutes 1991 Supplement, section 299A.30, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] (a) The assistant commissioner shall gather and make available information on prevention and supply reduction activities throughout the state, foster cooperation among involved state and local agencies, and assist agencies and public officials in training and other programs designed to improve the effectiveness of prevention and supply reduction activities.

(b) The assistant commissioner shall coordinate the distribution of funds received by the state of Minnesota through the federal Anti-Drug Abuse Act. The assistant commissioner shall recommend to the commissioner recipients of grants under sections 299A.33 and 299A.34, after consultation with the chemical abuse prevention resource council.

(c) The assistant commissioner shall:

(1) after consultation with all state agencies involved in prevention or supply reduction activities, develop a state chemical abuse and dependency strategy encompassing the efforts of those agencies and taking into account all money available for prevention and supply reduction activities, from any source;

(2) submit the strategy to the governor and the legislature by January 15 of each year, along with a summary of prevention and supply reduction activities during the preceding calendar year;

(3) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of prevention and supply reduction activities;

(4) provide information, including information on drug trends, and assistance to state and local agencies, both directly and by functioning as a clearinghouse for information from other agencies;

(5) facilitate cooperation among drug program agencies; and

(6) in coordination with the chemical abuse prevention resource council, review, approve, and coordinate the administration of prevention, criminal justice, and treatment grants.

Sec. 19. Minnesota Statutes 1991 Supplement, section 299A.31, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] A chemical abuse prevention resource council consisting of ~~17~~ 19 members is established. The commissioners of public safety, education, health, corrections, and human services, the director of the office of strategic and long-range planning, and the attorney general shall each appoint one member from among their employees. The speaker of the house of representatives and the subcommittee on committees of the senate shall each appoint a legislative member. The governor shall appoint an additional ten members who shall represent the demographic and geographic composition of the state and, to the extent possible, shall represent the following: public health; education including preschool, elementary, and higher education; social services; financial aid services; chemical dependency treatment; law enforcement; prosecution; defense; the judiciary; corrections; treatment research professionals; drug abuse prevention professionals; the business sector; religious leaders; representatives of racial and ethnic minority communities; and other community representatives. The members shall designate one of the governor's appointees as chair of the council. Compensation and removal of members are governed by section 15.059.

Sec. 20. Minnesota Statutes 1991 Supplement, section 299A.32, subdivision 2a, is amended to read:

Subd. 2a. [GRANT PROGRAMS.] The council shall, in coordination with the assistant commissioner of the office of drug policy and violence prevention, review and approve state agency plans regarding the use of federal funds for programs to reduce chemical abuse or reduce the supply of controlled substances. The appropriate state agencies would have responsibility for management of state and federal drug grant programs.

Sec. 21. [299A.325] [STATE CHEMICAL HEALTH INDEX MODEL.]

The assistant commissioner of the office of drug policy and violence prevention and the chemical abuse prevention resource council shall develop and test a chemical health index model to help assess the state's chemical health and coordinate state policy and programs relating to chemical abuse prevention and treatment. The chemical health index model shall assess a variety of factors known to affect the use and abuse of chemicals in different parts of the state including, but not limited to, demographic factors, risk factors, health care utilization, drug-related crime, productivity, resource availability, and overall health.

Sec. 22. [REPORT ON SEX OFFENDER TREATMENT FUNDING.]

By January 1, 1993, the commissioners of human services and

corrections shall submit a report to the legislature on funding for sex offender treatment, including:

(1) a summary of the sources and amounts of public and private funding for sex offender treatment;

(2) a progress report on implementation of sections 4 to 6;

(3) methods currently being used to coordinate funding;

(4) recommendations on whether other sources of funding should be consolidated into the sex offender treatment fund;

(5) recommendations regarding medical assistance program changes or waivers that will improve the cost-effective use of medical assistance funds for sex offender treatment;

(6) recommendations on whether start-up grants are needed to promote the development of needed sex offender treatment vendors, and if so, the amount of money needed for various regions, types of vendor, and class of sex offender;

(7) an estimate of the amount of money needed to fully fund the sex offender treatment fund and information regarding the cost of an array of possible options for partial funding, including funding options that prioritize treatment needs based on the age of the offender, the level of offense, or other factors identified by the commissioner; and

(8) recommendations for other changes that will improve the effectiveness and efficiency of the sex offender treatment funding system.

Sec. 23. [SEX OFFENDER TREATMENT; PILOT PROGRAM.]

The commissioners of corrections and human services shall administer a grant to create a pilot program to test the effectiveness of pharmacological agents, such as antiandrogens, in the treatment of sex offenders, including psychopathic personalities.

Participation in the study must be by volunteers who meet defined criteria. The commissioner of corrections shall report to the legislature by February 1, 1993, regarding the preliminary results of the study.

Sec. 24. [STUDY; DEPARTMENT OF CORRECTIONS.]

The commissioner of corrections, in collaboration with the commissioner of human services and the assistant commissioner of the office of drug policy and violence prevention, shall conduct a com-

prehensive study of the availability and quality of appropriate treatment programs within the criminal or juvenile justice system for adult and juvenile offenders who are chemically dependent or abuse chemicals. In particular, the commissioner shall investigate the extent to which the lack of culturally oriented treatment programs for minority youth has contributed to disparate and more punitive treatment of these youth by the juvenile justice system. As part of this study, the commissioner shall determine the cost of expanding the availability of culturally oriented treatment programs to all adult and juvenile offenders who are in need of treatment. The commissioner shall report the study's findings and recommendations to the legislature by February 1, 1993.

Sec. 25. [STATEWIDE MEDIA CAMPAIGN.]

The commissioner of health, in collaboration with the commissioner of human services and the commissioner of public safety, shall design and implement a statewide mass media campaign for the promotion of chemical health. The campaign must use both traditional and nontraditional media and focus on and support chemical health activities conducted at the community level with diverse and targeted populations. The campaign must last a minimum of six months and be coordinated with local school and community educational efforts, policy, skills training, and behavior modeling.

Sec. 26. [CHILD ABUSE PREVENTION GRANT.]

The commissioner of human services shall award a grant to a nonprofit, statewide child abuse prevention organization whose primary focus is parent self-help and support. Grant money may be used for one or more of the following activities:

(1) to provide technical assistance and consultation to individuals, organizations, or communities to establish local or regional parent self-help and support organizations for abusive or potentially abusive parents;

(2) to provide coordination and networking among existing parent self-help child abuse prevention organizations;

(3) to recruit, train, and provide leadership for volunteers working in child abuse prevention programs;

(4) to expand and develop child abuse programs throughout the state; or

(5) for statewide educational and public information efforts to increase awareness of the problems and solutions of child abuse.

Sec. 27. [EFFECTIVE DATE.]

Sections 4, 5, 6, 22, and 23 are effective the day following final enactment.

ARTICLE 12

VIOLENCE PREVENTION AND EDUCATION

Section 1. Minnesota Statutes 1991 Supplement, section 3.873, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] A legislative commission on children, youth, and their families is established to study state policy and legislation ~~affecting children and youth and their families~~ related to subdivision 1a. The commission shall make recommendations about how to ensure and promote the present and future well-being of Minnesota children and youth and their families, including methods for helping state and local agencies to work together.

Sec. 2. Minnesota Statutes 1991 Supplement, section 3.873, is amended by adding a subdivision to read:

Subd. 1a. [POLICY; CHILDREN, YOUTH, FAMILIES.] The development of physically, intellectually, socially, and emotionally healthy children is our state's top priority. To ensure this, the state shall focus on empowering every child's family. Every family shall be able to draw strength and support from its community.

To ensure Minnesota's future, the state and its communities must make a significant investment in long-term family policies that support and enhance healthy, responsible, and productive individuals by:

(1) developing physically, intellectually, socially, and emotionally healthy children;

(2) preserving, strengthening, and empowering families through collaboration among all state services and with other stakeholders;

(3) encouraging state service providers and other stakeholders to listen to families and respond to their needs;

(4) encouraging state service providers and other stakeholders to recognize that cultural diversity is integral to the well-being of children, families, and communities;

(5) enabling communities to provide strength and support to every child's family;

(6) promoting independence and stability among families through educational, economic, and early intervention programs; and

(7) developing a consensus about a realistic definition of today's family that declares the child's best interests to be paramount.

Sec. 3. Minnesota Statutes 1991 Supplement, section 3.873, subdivision 5, is amended to read:

Subd. 5. [INFORMATION COLLECTION; INTERGOVERNMENTAL COORDINATION.] (a) The commission may conduct public hearings and otherwise collect data and information necessary to its purposes.

(b) The commission may request information or assistance from any state agency or officer to assist the commission in performing its duties. The agency or officer shall promptly furnish any information or assistance requested.

(c) The commission may review and comment on existing programs which affect children, youth, and their families.

(d) Before implementing new or substantially revised programs relating to the subjects being studied by the commission under subdivision 7, the commissioner responsible for the program shall prepare an implementation plan for the program and shall submit the plan to the commission for review and comment. The commission may advise and make recommendations to the commissioner on the implementation of the program and may request the changes or additions in the plan it deems appropriate.

~~(d)~~ (e) By July 1, 1991, the responsible state agency commissioners, including the commissioners of education, health, human services, jobs and training, and corrections, shall prepare data for presentation to the commission on the state programs to be examined by the commission under subdivision 7, paragraph (a).

~~(e)~~ (f) To facilitate coordination between executive and legislative authorities, the governor shall appoint a person to act as liaison between the commission and the governor.

Sec. 4. Minnesota Statutes 1991 Supplement, section 3.873, subdivision 7, is amended to read:

Subd. 7. [PRIORITIES.] The commission shall give priority to studying and reporting to the legislature on the matters described in this subdivision.

(a) The commission must study and report on methods of improving legislative consideration of children and family issues and coordinating state agency programs relating to children and families, including the desirability, feasibility, and effects of creating a new state department of children's services, or children and family services, in which would be consolidated the responsibility for administering state programs relating to children and families.

(b) The commission must study and report on methods of consolidating or coordinating local health, correctional, educational, job, and human services, to improve the efficiency and effectiveness of services to children and families and to eliminate duplicative and overlapping services. The commission shall evaluate and make recommendations on programs and projects in this and other states that encourage or require local jurisdictions to consolidate the delivery of services in schools or other community centers to reduce the cost and improve the coverage and accessibility of services.

(c) The commission must study and report on methods of improving and coordinating educational, social, and health care services that assist children and families during the early childhood years. The commission's study must include an evaluation of the following: early childhood health and development screening services, headstart, child care, and early childhood family education.

(d) The commission must study and report on methods of improving and coordinating the practices of judicial, correctional, and social service agencies in placing juvenile offenders and children who are in need of protective services or treatment. As part of the study, the commission shall gather information from counties on the costs of court ordered juvenile treatment under chapter 260 and on the collections for the costs of juvenile treatment under section 260.251.

Sec. 5. Minnesota Statutes 1991 Supplement, section 121.882, subdivision 2, is amended to read:

Subd. 2. [PROGRAM CHARACTERISTICS.] Early childhood family education programs are programs for children in the period of life from birth to kindergarten, for the parents of such children, and for expectant parents. The programs may include the following:

(1) programs to educate parents about the physical, mental, and emotional development of children;

(2) programs to enhance the skills of parents in providing for their children's learning and development;

(3) learning experiences for children and parents;

(4) activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;

(5) activities and materials designed to encourage self-esteem, skills, and behavior that prevent sexual and other interpersonal violence;

(6) educational materials which may be borrowed for home use;

(7) information on related community resources; ~~or~~

(8) programs to prevent child abuse and neglect; or

(9) other programs or activities to improve the health, development, and learning readiness of children.

The programs shall not include activities for children that do not require substantial involvement of the children's parents. The programs shall be reviewed periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs shall encourage parents to be aware of practices that may affect equitable development of children.

Sec. 6. Minnesota Statutes 1990, section 121.882, is amended by adding a subdivision to read:

Subd. 2b. [HOME VISITING PROGRAM.] (a) The commissioner of education shall include as part of the early childhood family education programs a parent education component to prevent child abuse and neglect. This parent education component must include:

(1) expanding statewide the home visiting component of the early childhood family education programs;

(2) training parent educators, child educators, and home visitors in the dynamics of child abuse and neglect and positive parenting and discipline practices; and

(3) developing and distributing education and public information materials that promote positive parenting skills and prevent child abuse and neglect.

(b) The parent education component must:

(1) offer to isolated or at-risk families direct visiting parent education services that at least address parenting skills, a child's development and stages of growth, communication skills, managing stress, problem-solving skills, positive child discipline practices, methods of improving parent-child interactions and enhancing self-

esteem, using community support services and other resources, and encouraging parents to have fun with and enjoy their children;

(2) develop a risk assessment tool to determine the family's level of risk;

(3) establish clear objectives and protocols for home visits;

(4) determine the frequency and duration of home visits based on a risk-need assessment of the client, with home visits beginning in the second trimester of pregnancy and continuing, based on client need, until a child is six years old;

(5) encourage families to make a transition from home visits to site-based parenting programs to build a family support network and reduce the effects of isolation;

(6) develop and distribute education materials on preventing child abuse and neglect that may be used in home visiting programs and parent education classes and distributed to the public;

(7) provide at least 40 hours of training for parent educators, child educators, and home visitors that covers the dynamics of child abuse and neglect, domestic violence and victimization within family systems, signs of abuse or other indications that a child may be at risk of being abused or neglected, what child abuse and neglect are, how to properly report cases of child abuse and neglect, respect for cultural preferences in child rearing, what community resources, social service agencies, and family support activities and programs are available, child development and growth, parenting skills, positive child discipline practices, identifying stress factors and techniques for reducing stress, home visiting techniques, and risk assessment measures;

(8) provide program services that are community-based, accessible, and culturally relevant; and

(9) foster collaboration among existing agencies and community-based organizations that serve young children and their families.

(c) Home visitors should reflect the demographic composition of the community the home visitor is serving to the extent possible.

Sec. 7. Minnesota Statutes 1991 Supplement, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT ~~AND~~, PARENTAL INVOLVEMENT, AND VIOLENCE PREVENTION PROGRAMS.] (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to $15 times the number of actual pupil units shall be

reserved and may be used only to provide staff time for peer review under section 125.12 or 125.17, in-service education for violence prevention programs under section 126.77, subdivision 2, or staff development programs for outcome-based education, according to section 126.70, subdivisions 1 and 2a. Staff development revenue may be used only for staff time for peer review, violence prevention programs or outcome-based education activities. The school board shall determine the staff development activities to provide, the manner in which they will be provided, and the extent to which other local funds may be used to supplement staff development activities that implement outcome-based education.

(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to $5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 124C.61.

Sec. 8. Minnesota Statutes 1991 Supplement, section 126.70, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY FOR REVENUE.] A school board may use the revenue authorized in section 124A.29 for staff time for peer review under section 125.12 or 125.17, for in-service education for violence prevention programs under section 126.77, subdivision 2, or if it establishes an outcome-based staff development advisory committee and adopts a staff development plan on outcome-based education according to this subdivision. A majority of the advisory committee must be teachers representing various grade levels and subject areas. The advisory committee must also include parents and administrators. The advisory committee shall develop a staff development plan containing proposed outcome-based education activities and related expenditures and shall submit the plan to the school board. If the school board approves the plan, the district may use the staff development revenue authorized in section 124A.29. Copies of approved plans must be submitted to the commissioner.

Sec. 9. Minnesota Statutes 1991 Supplement, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. [PERMITTED USES.] A school board may approve a plan to accomplish any of the following purposes:

(1) foster readiness for outcome-based education by increasing knowledge and understanding of and commitment to outcome-based education;

(2) facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, and community members to address pupils' needs through outcome-based education;

(3) develop programs to increase pupils' educational progress by developing appropriate outcomes and personal learning plans and by encouraging pupils and their parents to assume responsibility for their education;

(4) design and develop outcome-based education programs containing various instructional opportunities that recognize pupils' individual needs and utilize family and community resources;

(5) evaluate the effectiveness of outcome-based education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators; ~~and~~

(6) provide staff time for peer review of probationary, continuing contract, and nonprobationary teachers;

(7) train elementary and secondary staff to help students learn to resolve conflicts in effective, nonviolent ways; and

(8) encourage staff to teach and model violence prevention policy and curricula that address issues of sexual and racial harassment.

Sec. 10. [126.77] [VIOLENCE PREVENTION EDUCATION.]

Subdivision 1. [VIOLENCE PREVENTION CURRICULUM.] (a) The commissioner of education, in consultation with the commissioners of health and human services, state minority councils, battered women's programs, sexual assault centers, representatives of religious communities, and the assistant commissioner of the office of drug policy and violence prevention, shall assist districts on request in developing or implementing a violence prevention program for students in kindergarten to grade 12 that can be integrated into existing curriculum. The purpose of the program is to help students learn how to resolve conflicts within their families and communities in nonviolent, effective ways.

(b) Each district is encouraged to integrate into its existing curriculum a program for violence prevention that includes at least:

(1) a comprehensive, accurate, and age appropriate curriculum on violence prevention, nonviolent conflict resolution, and sexual and racial harassment that promotes equality, respect, understanding, effective communication, individual responsibility, thoughtful decisionmaking, positive conflict resolution, useful coping skills, critical thinking, listening and watching skills, and personal safety;

(2) planning materials, guidelines, and other accurate information on preventing physical and emotional violence, identifying and reducing the incidence of sexual and racial harassment, and reducing child abuse and neglect;

(3) a special parent education component of early childhood family education programs to prevent child abuse and neglect and to promote positive parenting skills, giving priority to services and outreach programs for at-risk families;

(4) involvement of parents and other community members, including the clergy, business representatives, civic leaders, local elected officials, law enforcement officials, and the county attorney;

(5) collaboration with local community services, agencies, and organizations that assist in violence intervention or prevention, including family-based services, crisis services, life management skills services, case coordination services, mental health services, and early intervention services;

(6) collaboration among districts and ECSUs;

(7) targeting early adolescents for prevention efforts, especially early adolescents whose personal circumstances may lead to violent or harassing behavior; and

(8) administrative policies that reflect, and a staff that models, nonviolent behaviors that do not display or condone sexual or racial harassment.

(c) The department may provide assistance at a neutral site to a nonpublic school participating in a district's program.

Subd. 2. [IN-SERVICE TRAINING.] Each district is encouraged to provide training for district staff and school board members to help students identify violence in the family and the community so that students may learn to resolve conflicts in effective, nonviolent ways. The in-service training must be ongoing and involve experts familiar with domestic violence and personal safety issues.

Subd. 3. [FUNDING SOURCES.] Districts may accept funds from public and private sources for violence prevention programs developed and implemented under this section.

Sec. 11. Minnesota Statutes 1990, section 127.46, is amended to read:

127.46 [SEXUAL HARASSMENT AND VIOLENCE POLICY.]

Each school board shall adopt a written sexual harassment and sexual violence policy that conforms with sections 363.01 to 363.15. The policy shall apply to pupils, teachers, administrators, and other school personnel, include reporting procedures, and set forth disciplinary actions that will be taken for violation of the policy. Disciplinary actions must conform with collective bargaining agree-

ments and sections 127.27 to 127.39. The policy must be conspicuously posted ~~in~~ throughout each school building and included in each school's student handbook on school policies. Each school must develop a process for discussing the school's sexual harassment and violence policy with students and school employees.

Sec. 12. Minnesota Statutes 1991 Supplement, section 299A.30, is amended to read:

299A.30 [OFFICE OF DRUG POLICY AND VIOLENCE PREVENTION.]

Subdivision 1. [OFFICE; ASSISTANT COMMISSIONER.] The office of drug policy and violence prevention is an office in the department of public safety headed by an assistant commissioner appointed by the commissioner to serve in the unclassified service. The assistant commissioner may appoint other employees. The assistant commissioner shall coordinate the violence prevention activities and the prevention and supply reduction activities of state and local agencies and provide one professional staff member to assist on a full-time basis the work of the chemical abuse prevention resource council.

Subd. 2. [DUTIES.] (a) The assistant commissioner shall:

(1) gather, develop, and make available throughout the state information and educational materials on preventing and reducing violence in the family and in the community, both directly and by serving as a clearinghouse for information and educational materials from schools, state and local agencies, community service providers, and local organizations;

(2) foster collaboration among schools, state and local agencies, community service providers, and local organizations that assist in violence intervention or prevention;

(3) assist schools, state and local agencies, service providers, and organizations, on request, with training and other programs designed to educate individuals about violence and reinforce values that contribute to ending violence;

(4) after consulting with all state agencies involved in preventing or reducing violence within the family or community, develop a statewide strategy for preventing and reducing violence that encompasses the efforts of those agencies and takes into account all money available for preventing or reducing violence from any source;

(5) submit the strategy to the governor and the legislature by January 15 of each calendar year, along with a summary of activi-

ties occurring during the previous year to prevent or reduce violence experienced by children, young people, and their families; and

(6) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of activities to prevent or reduce violence within the family or community.

(b) The assistant commissioner shall gather and make available information on prevention and supply reduction activities throughout the state, foster cooperation among involved state and local agencies, and assist agencies and public officials in training and other programs designed to improve the effectiveness of prevention and supply reduction activities.

~~(b)~~ (c) The assistant commissioner shall coordinate the distribution of funds received by the state of Minnesota through the federal Anti-Drug Abuse Act. The assistant commissioner shall recommend to the commissioner recipients of grants under sections 299A.33 and 299A.34, after consultation with the chemical abuse prevention resource council.

~~(c)~~ (d) The assistant commissioner shall:

(1) after consultation with all state agencies involved in prevention or supply reduction activities, develop a state chemical abuse and dependency strategy encompassing the efforts of those agencies and taking into account all money available for prevention and supply reduction activities, from any source;

(2) submit the strategy to the governor and the legislature by January 15 of each year, along with a summary of prevention and supply reduction activities during the preceding calendar year;

(3) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of prevention and supply reduction activities;

(4) provide information, including information on drug trends, and assistance to state and local agencies, both directly and by functioning as a clearinghouse for information from other agencies;

(5) facilitate cooperation among drug program agencies; and

(6) coordinate the administration of prevention, criminal justice, and treatment grants.

Sec. 13. Minnesota Statutes 1991 Supplement, section 299A.32, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC DUTIES AND RESPONSIBILITIES.] In furtherance of the general purpose specified in subdivision 1, the council shall:

(1) assist state agencies in the coordination of drug policies and programs and in the provision of services to other units of government, communities, and citizens;

(2) promote among state agencies policies to achieve uniformity in state and federal grant programs and to streamline those programs;

(3) oversee comprehensive data collection and research and evaluation of alcohol and drug program activities;

(4) seek the advice and counsel of appropriate interest groups and advise the assistant commissioner of the office of drug policy and violence prevention;

(5) seek additional private funding for community-based programs and research and evaluation;

(6) evaluate whether law enforcement narcotics task forces should be reduced in number and increased in geographic size, and whether new sources of funding are available for the task forces;

(7) continue to promote clarity of roles among federal, state, and local law enforcement activities; and

(8) establish criteria to evaluate law enforcement drug programs.

Sec. 14. Minnesota Statutes 1991 Supplement, section 299A.36, is amended to read:

299A.36 [OTHER DUTIES.]

The assistant commissioner assigned to the office of drug policy and violence prevention, in consultation with the chemical abuse prevention resource council, shall:

(1) provide information and assistance upon request to school preassessment teams established under section 126.034 and school and community advisory teams established under section 126.035;

(2) provide information and assistance upon request to the state board of pharmacy with respect to the board's enforcement of chapter 152;

(3) cooperate with and provide information and assistance upon request to the alcohol and other drug abuse section in the department of human services;

(4) assist in coordinating the policy of the office with that of the narcotic enforcement unit in the bureau of criminal apprehension; and

(5) coordinate the activities of the regional drug task forces, provide assistance and information to them upon request, and assist in the formation of task forces in areas of the state in which no task force operates.

Sec. 15. [299A.365] [ASIAN JUVENILE CRIME PREVENTION GRANT PROGRAM.]

Subdivision 1. [GRANT PROGRAM.] The assistant commissioner of the office of drug policy and violence prevention shall establish a grant program for coordinated, family-based crime prevention services for Asian youth.

Subd. 2. [GRANT RECIPIENTS.] The assistant commissioner shall award grants to agencies based in the Asian community that have experience providing coordinated, family-based community services to Asian youth and families.

Subd. 3. [PROJECT DESIGN.] Projects eligible for grants under this section must provide coordinated crime prevention and educational services that include:

(1) education for Asian parents, including parenting methods in the United States and information about the United States legal and educational systems;

(2) crime prevention programs for Asian youth, including employment and career-related programs and guidance and counseling services;

(3) family-based services, including support networks, language classes, programs to promote parent-child communication, access to education and career resources, and conferences for Asian children and parents;

(4) coordination with public and private agencies to improve communication between the Asian community and the community at large; and

(5) hiring staff to implement the services in clauses (1) to (4).

Subd. 4. [ANNUAL REPORT.] Grant recipients must report to the assistant commissioner by June 30 of each year on the services and programs provided, expenditures of grant money, and an evaluation of the program's success in reducing crime among Asian youth.

Sec. 16. Minnesota Statutes 1990, section 299A.37, is amended to read:

299A.37 [COOPERATION OF OTHER AGENCIES.]

State agencies, and agencies and governing bodies of political subdivisions, shall cooperate with the assistant commissioner assigned to the office of drug policy and violence prevention and shall provide any public information requested by the assistant commissioner assigned to the office of drug policy and violence prevention.

Sec. 17. Minnesota Statutes 1990, section 299A.40, subdivision 3, is amended to read:

Subd. 3. [GRANTS FOR DEMONSTRATION PROGRAM.] The assistant commissioner of the office of drug policy and violence prevention may award a grant to a county, multicounty organization, or city, as described in subdivision 1, for establishing and operating a multidisciplinary chemical abuse prevention team. The assistant commissioner may approve up to five applications for grants under this subdivision. The grant funds must be used to establish a multidisciplinary chemical abuse prevention team to carry out the duties in subdivision 2.

Sec. 18. [ECFE REVENUE.]

In addition to the revenue in section 124.2711, subdivision 1, in fiscal year 1993 a district is eligible for aid equal to $1.60 times the greater of 150 or the number of people under five years of age residing in the school district on September 1 of the last school year. This amount may be used only for in-service education for early childhood family education parent educators, child educators, and home visitors for violence prevention programs and for home visiting programs under section 6. A district that uses revenue under this paragraph for home visiting programs shall provide home visiting program services through its early childhood family education program or shall contract with a public or nonprofit organization to provide such services. A district may establish a new home visiting program only where no existing, reasonably accessible home visiting program meets the program requirements in section 6.

Sec. 19. [VIOLENCE PREVENTION EDUCATION GRANTS.]

Subdivision 1. [GRANT PROGRAM ESTABLISHED.] The commissioner of education, after consulting with the assistant commis-

sioner of the office of drug policy and violence prevention, shall establish a violence prevention education grant program to enable a school district, an education district, or a group of districts that cooperate for a particular purpose to develop and implement a violence prevention program for students in kindergarten through grade 12 that can be integrated into existing curriculum. A district or group of districts that elects to develop and implement a violence prevention program under section 126.77 is eligible to apply for a grant under this section.

Subd. 2. [GRANT APPLICATION.] To be eligible to receive a grant, a school district, an education district, or a group of districts that cooperate for a particular purpose must submit an application to the commissioner in the form and manner and according to the timeline established by the commissioner. The application must describe how the applicant will: (1) integrate into its existing K-12 curriculum a program for violence prevention that contains the program components listed in section 126.77; (2) collaborate with local organizations involved in violence prevention and intervention; and (3) structure the program to reflect the characteristics of the children, their families and the community involved in the program. The commissioner may require additional information from the applicant. When reviewing the applications, the commissioner shall determine whether the applicant has met the requirements of this subdivision.

Subd. 3. [GRANT AWARDS.] The commissioner shall award a grant for a violence prevention education program to an applicant with an approved application equal to the greater of $1 per actual pupil unit or $700 per district.

Subd. 4. [GRANT PROCEEDS.] A successful applicant shall use the grant money to develop and implement a violence prevention program according to the terms of the grant application.

Sec. 20. [EFFECTIVE DATE.]

Section 10 is effective for the 1992-1993 school year.

ARTICLE 13

MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 1991 Supplement, section 8.15, is amended to read:

8.15 [ATTORNEY GENERAL COSTS.]

The attorney general in consultation with the commissioner of finance shall assess executive branch agencies a fee for legal services

rendered to them. The assessment against appropriations from other than the general fund must be the full cost of providing the services. The assessment against appropriations supported by fees must be included in the fee calculation. The assessment against appropriations from the general fund not supported by fees must be one-half of the cost of providing the services. An amount equal to the general fund receipts in the even-numbered year of the biennium is appropriated to the attorney general for each year of the succeeding biennium. All other receipts from assessments must be deposited in the state treasury and credited to the general fund.

The attorney general in consultation with the commissioner of finance shall assess political subdivisions fees to cover half the cost of legal services rendered to them, except legal services rendered to them in connection with appearances or prosecutions in criminal cases, as authorized by section 8.01.

Sec. 2. Minnesota Statutes 1990, section 270A.03, subdivision 5, is amended to read:

Subd. 5. "Debt" means a legal obligation of a natural person to pay a fixed and certain amount of money, which equals or exceeds $25 and which is due and payable to a claimant agency. The term includes criminal fines imposed under section 609.10 or 609.125 and restitution. A debt may arise under a contractual or statutory obligation, a court order, or other legal obligation, but need not have been reduced to judgment.

A debt does not include any legal obligation of a current recipient of assistance which is based on overpayment of an assistance grant.

A debt does not include any legal obligation to pay a claimant agency for medical care, including hospitalization if the income of the debtor at the time when the medical care was rendered does not exceed the following amount:

(1) for an unmarried debtor, an income of $6,400 or less;

(2) for a debtor with one dependent, an income of $8,200 or less;

(3) for a debtor with two dependents, an income of $9,700 or less;

(4) for a debtor with three dependents, an income of $11,000 or less;

(5) for a debtor with four dependents, an income of $11,600 or less; and

(6) for a debtor with five or more dependents, an income of $12,100 or less.

The income amounts in this subdivision shall be adjusted for inflation for debts incurred in calendar years 1991 and thereafter. The dollar amount of each income level that applied to debts incurred in the prior year shall be increased in the same manner as provided in section 290.06, subdivision 2d, for the expansion of the tax rate brackets.

Sec. 3. Minnesota Statutes 1990, section 485.018, subdivision 5, is amended to read:

Subd. 5. [COLLECTION OF FEES.] The court administrator of district court shall charge and collect all fees as prescribed by law and all such fees collected by the court administrator as court administrator of district court shall be paid to the county treasurer. Except for those portions of forfeited bail paid to victims pursuant to existing law, the county treasurer shall forward all revenue from fees and forfeited bail collected under chapters 357 and 574 to the state treasurer for deposit in the state treasury and credit to the general fund, unless otherwise provided in chapter 611A or other law, in the manner and at the times prescribed by the state treasurer, but not less often than once each month. If the defendant or probationer is located after forfeited bail proceeds have been forwarded to the state treasurer, the state treasurer shall reimburse the county, on request, for extradition, transportation, or other costs necessary to return the defendant or probationer to the jurisdiction where the bail was posted, in an amount not more than the amount of forfeited bail. All other money must be deposited in the county general fund unless otherwise provided by law. The court administrator of district court shall not retain any additional compensation, per diem or other emolument for services as court administrator of district court, but may receive and retain mileage and expense allowances as prescribed by law.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment and applies to appearances or prosecutions in criminal cases pending on, or instituted on or after, that date.

ARTICLE 14

APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund to the agencies and for the purposes specified in this article, to be available for the fiscal year ending June 30, 1993.

Sec. 2. CORRECTIONS

Total General Fund Appropriation $ 3,673,000

Of this appropriation, $15,000 is for the development of standards for electronic monitoring devices used to protect victims of domestic abuse.

Of this appropriation, $300,000 is to establish and operate a secure unit for dangerous juvenile offenders at the Minnesota correctional facility-Red Wing.

One juvenile sex offender treatment program must be located in a secure unit at a state juvenile correctional facility.

When awarding grants for crime victim programs, the commissioner shall give priority to those areas and regions in the state that currently have insufficient programs or services for crime victims.

Sec. 3. HUMAN SERVICES

Total General Fund Appropriation 1,019,000

Money appropriated for juvenile mental health screening projects may not be used to pay for out-of-home placement or to replace current funding for programs presently in operation, but must be used to expand existing programs or initiate new ones.

Of this amount, $50,000 is for a child abuse prevention grant to a parent self-help organization under article 11, section 26, to be available until expended.

The commissioner shall distribute the appropriation for family-based services as special incentive bonus payments under section 256F.05, subdivision 4a, or as family-based crisis service grants under section 256F.05, subdivision 8.

Sec. 4. EDUCATION

Total General Fund Appropriation 1,400,000

The appropriation for ECFE is added to the appropriation in 1991 Laws, chapter 265, article 4, section 30, subdivision 5. In fiscal year 1993 only, a district receiving additional revenue according to article 12, section 18 shall receive all the additional revenue as aid and shall not have its levy for early childhood family education programs adjusted for any of this additional revenue. One hundred percent of the aid appropriated must be paid in fiscal year 1993 according to the process established in section 124.195, subdivision 9.

Of the amount appropriated for violence prevention education grants, one hundred percent of the aid must be paid in fiscal year 1993 according to the process established in section 124.195, subdivision 9.

Sec. 5. PUBLIC SAFETY

Total General Fund Appropriation 1,090,000

Of this appropriation, $50,000 is available immediately after enactment of this act and is available for violence prevention efforts until June 30, 1993. The state complement of the department is increased by one for the purposes of this act.

Of this appropriation, $900,000 is to be distributed by the commissioner according to the recommendations of the chemical abuse prevention resource council for the programs described in article 11, sections 1, 10, 11, 12, 25, and Minnesota Statutes, section 144.401.

Sec. 6. HIGHER EDUCATION COORDINATING BOARD

Total General Fund Appropriation 20,000

Sec. 7. HEALTH

Total General Fund Appropriation 200,000

Sec. 8. SUPREME COURT

Total General Fund Appropriation 211,000

Sec. 9. DISTRICT COURTS

Total General Fund Appropriation 800,000

Sec. 10. LEGISLATIVE COORDINATING COMMISSION

Total General Fund Appropriation 15,000

Sec. 11. BOARD OF PUBLIC DEFENSE

Total General Fund Appropriation 1,000,000

The appropriation for appellate services shall be annualized for the 1994-1995 biennium. The board's approved complement for appellate services is increased by six positions.

Sec. 12. DEPARTMENT OF JOBS AND TRAINING

Total General Fund Appropriation 300,000

This appropriation is to supplement youth employment, training, service, or leadership development programs currently funded under the federal Job Training Partnership Act.

Sec. 13. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment.

ARTICLE 15

BONDING AND APPROPRIATIONS

Section 1. [HEAD START FACILITIES.]

$6,000,000 is appropriated from the bond proceeds fund to the commissioner of jobs and training for grants to agencies and political subdivisions of the state for construction or rehabilitation of facilities for Head Start or other early intervention education programs. The facilities must be owned by the state or a political subdivision, but may be leased to organizations that operate the programs. The commissioner shall prescribe the terms and conditions of leases. The grants must be distributed according to a demonstrated need for the facilities. The grants shall also be geographically distributed across the state to the extent that this is not inconsistent with need for the facilities.

Sec. 2. [BATTERED WOMEN'S SHELTERS.]

$3,000,000 is appropriated from the bond proceeds fund to the commissioner of corrections for grants to agencies and political subdivisions of the state for construction or rehabilitation of shelters for battered women or other facilities serving crime victims. The shelters or facilities must be owned by the state or a political subdivision, but may be leased to organizations that operate the shelters or facilities. The commissioner shall prescribe the terms and conditions of leases. The grants must be distributed according to a demonstrated need for the facilities. The grants shall also be geographically distributed across the state, to the extent that this is not inconsistent with need for the facilities.

Sec. 3. [APPROPRIATION; HOUSING FINANCE AGENCY.]

$5,000,000 is appropriated from the bond proceeds fund to the housing finance agency's local government unit housing account established in Minnesota Statutes, section 462A.202, for capital costs of housing construction and housing rehabilitation for the youth employment program under Minnesota Statutes, sections 268.361 to 268.367, and for the training and housing program for homeless adults. The agency may use the appropriation for loans, with or without interest, or grants to cities for publicly owned housing projects in conjunction with the youth and homeless training and employment programs. Eligible projects include local government transitional housing and public housing programs under Minnesota Statutes, section 462A.202, city-owned neighborhood land trust housing under Minnesota Statutes, sections 462A.30 and 462A.31, publicly owned housing trust fund activities under Minnesota Statutes, section 462A.201, and any other publicly owned housing enterprises. The commissioner of jobs and training shall make funding recommendations to the housing finance agency on

the capital requirements of youth employment projects that are publicly owned or meet the neighborhood land trust requirements for eligible cities. The commissioner of housing finance may make grants or loans for eligible costs for the recommended youth employment projects and the homeless training and housing projects under the terms and conditions that the agency determines. For the purposes of this section, "city" has the meaning given in Minnesota Statutes, section 462C.02, subdivision 6.

Sec. 4. [APPROPRIATION; NATURAL RESOURCES.]

Subdivision 1. [APPROPRIATION.] $5,000,000 is appropriated from the bond proceeds fund to the commissioner of finance for grants to the commissioner of natural resources and to local government units that own forest, park, or recreation land, for capital improvement projects on state or local land. Grants under this section must be used to support projects that include a youth component in conjunction with the Minnesota conservation corps under Minnesota Statutes, section 84.98. The youth work experience component must include direct supervision by individuals skilled in each specific vocation or craft. The grants must be distributed according to a demonstrated need for the facilities. The grants shall also be geographically distributed across the state, to the extent that this is not inconsistent with need for the facilities.

Subd. 2. [UNION SECURITY.] At least 30 days prior to the start-up of any youth employment project under this section a detailed written description of the project shall be submitted to the local union president of the area where the project is proposed to take place. The description shall include an outline of the proposed work to be done, the specific location where the work is proposed to take place, and an estimate of how long the project will take to complete along with any information concerning the impact the project is likely to have on bargaining unit employees.

Each project must certify that the assignment of personnel to a project will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits. Each project must also certify that project work shall not be carried out at a work location which has employees on layoff during the regular park season. An agency that administers a project may not terminate, layoff, reduce the seasonal hours, or reduce the working hours of any employee for the purpose of utilizing project personnel. Project personnel shall be paid the prevailing rate of state employees performing similar work.

Implementation of this section, as well as procedures for notifying the exclusive representative and employees affected by projects must

be negotiated into collective bargaining agreements under Minnesota Statutes, chapter 179A, prior to the start-up of any project.

Subd. 3. [PROJECT SELECTION.] At least 90 days prior to the anticipated start-up of any youth employment project the administrating agency shall submit to the exclusive representative as defined in Minnesota Statutes, chapter 179A, a list of all proposed youth employment projects. The administrating agency shall meet and confer with the exclusive representative of public employees concerning proposed youth employment projects. Projects shall be selected by the administrative agency based on the meet and confer process and must in each case demonstrate that: (1) specific projects will not displace public employees, (2) specific projects to the extent possible utilize laid-off employees of the agency who are capable and qualified to perform lead worker or line supervisory duties, and (3) to the extent possible crew leaders of projects are bargaining unit employees.

Implementation of this section must be negotiated into collective bargaining agreements under Minnesota Statutes, chapter 179A, prior to the start-up of any project.

Subd. 4. [IMPLEMENTATION PLAN.] The bond proceeds under this section must not be expended until the department of natural resources and bargaining representatives for park employees meet and confer to develop an implementation plan. The plan must be developed by January 1, 1993.

Sec. 5. [BOND SALE EXPENSES.]

$19,000 is appropriated to the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 6. [BOND SALE.]

To provide the money appropriated in this article from the state bond proceeds fund, the commissioner of finance, on request of the governor, shall sell and issue bonds in an amount up to $19,019,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7."

Delete the title and insert:

"A bill for an act relating to crime; anti-violence education, prevention and treatment; increasing penalties for repeat sex offenders; providing for life imprisonment for certain repeat sex offenders; providing for life imprisonment without parole for certain persons convicted of first degree murder; increasing penalties for other

violent crimes and crimes committed against children; increasing supervision of sex offenders; providing a fund for sex offender treatment; eliminating the "good time" reduction in prison sentences; allowing the extension of prison terms for disciplinary violations in prison; authorizing the commissioner of corrections to establish a "boot camp" program; authorizing the imposition of fees for local correctional services on offenders; requiring the imposition of minimum fines on convicted offenders; providing for HIV testing of certain sex offenders; expanding certain crime victim rights; providing programs for victim-offender mediation; enhancing protection of domestic abuse victims; authorizing secure confinement of dangerous juvenile offenders; creating a presumption in favor of joint trials for felony defendants; creating a civil cause of action for minors used in a sexual performance; providing for a variety of anti-violence education, prevention, and treatment programs; authorizing the issuance of state bonds for a variety of projects; appropriating money; amending Minnesota Statutes 1990, sections 13.87, subdivision 2; 72A.20, by adding a subdivision; 121.882, by adding a subdivision; 127.46; 135A.15; 241.021, by adding a subdivision; 241.67, subdivisions 1, 2, 3, 6, and by adding a subdivision; 242.19, subdivision 2; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 245.4871, by adding a subdivision; 254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision; 259.11; 260.151, subdivision 1; 260.155, subdivision 1, and by adding a subdivision; 260.172, by adding a subdivision; 260.181, by adding a subdivision; 260.185, subdivisions 1 and 4; 260.311, by adding a subdivision; 270A.03, subdivision 5; 299A.37; 299A.40, subdivision 3; 332.51, subdivisions 1 and 5; 401.02, subdivision 4; 485.018, subdivision 5; 518B.01, subdivisions 7 and 13; 546.27, subdivision 1; 595.02, subdivision 4; 609.02, by adding a subdivision; 609.10; 609.101, by adding a subdivision; 609.115, subdivision 1a; 609.125; 609.135, subdivision 5, and by adding subdivisions; 609.1352, subdivisions 1 and 5; 609.152, subdivisions 2 and 3; 609.184, subdivision 2; 609.19; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.322; 609.323; 609.342; 609.343; 609.344, subdivisions 1 and 3; 609.345, subdivisions 1 and 3; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.3471; 609.378, subdivision 1; 609.605, by adding a subdivision; 609.747, subdivision 2; 611A.03, subdivision 1; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 629.72, by adding a subdivision; 630.36, subdivision 1, and by adding a subdivision; 631.035; Minnesota Statutes 1991 Supplement, sections 3.873, subdivisions 1, 5, 7, and by adding a subdivision; 8.15; 121.882, subdivision 2; 124A.29, subdivision 1; 126.70, subdivisions 1 and 2a; 243.166, subdivisions 1, 2, and 3; 244.05, subdivision 6; 244.12, subdivision 3; 245.484; 245.4884, subdivision 1; 299A.30; 299A.31, subdivision 1; 299A.32, subdivisions 2 and 2a; 299A.36; 518B.01, subdivisions 3a, 6, and 14; 609.135, subdivision 2; Laws 1991, chapter 232, section 5; proposing coding for new law in Minnesota Statutes, chapter 126; 145; 145A; 169; 241; 244; 256; 256F; 260; 299A; 609; 611A; 617; and 629."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1849 was read for the second time.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. No. 2694.

H. F. No. 2694 was reported to the House.

CALL OF THE HOUSE

On the motion of Stanius and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams	Girard	Knickerbocker	Olson, K.	Smith
Anderson, I.	Goodno	Koppendrayer	Omann	Solberg
Anderson, R. H.	Greenfield	Krambeer	Onnen	Sparby
Battaglia	Gruenes	Krinkie	Orenstein	Stanius
Bauerly	Gutknecht	Krueger	Orfield	Steensma
Beard	Hanson	Lasley	Ostrom	Sviggum
Begich	Hartle	Leppik	Ozment	Thompson
Bertram	Hasskamp	Lieder	Pauly	Tompkins
Bettermann	Haukoos	Limmer	Pellow	Trimble
Blatz	Hausman	Lourey	Pelowski	Tunheim
Bodahl	Heir	Lynch	Peterson	Uphus
Brown	Henry	Macklin	Pugh	Valento
Carlson	Hufnagle	McEachern	Reding	Vellenga
Carruthers	Hugoson	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Murphy	Runbeck	Welker
Dempsey	Johnson, A.	Nelson, K.	Sarna	Welle
Dille	Johnson, R.	Nelson, S.	Schafer	Wenzel
Dorn	Johnson, V.	Newinski	Schreiber	Winter
Erhardt	Kahn	O'Connor	Seaberg	Spk. Long
Farrell	Kalis	Ogren	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	
Garcia	Kinkel	Olson, E.	Skoglund	

Welle moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

POINT OF ORDER

Abrams raised a point of order pursuant to Article IV, section 17,

of the Minnesota Constitution relating to laws embracing only one subject and that H. F. No. 2694 was not in order.

The Speaker pursuant to sections 242 and 578 of "Mason's Manual of Legislative Procedure" submitted the following question to the House: "Is it the judgment of the House that the Abrams point of order is well taken?"

A roll call was requested and properly seconded.

The question was taken on the Abrams point of order and the roll was called. There were 54 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Knickerbocker	Newinski	Smith
Anderson, R. H.	Goodno	Koppendrayer	Olsen, S.	Stanius
Bettermann	Gruenes	Krambeer	Omann	Sviggum
Blatz	Gutknecht	Krinkie	Onnen	Swenson
Boo	Hartle	Leppik	Ozment	Tompkins
Davids	Haukoos	Limmer	Pauly	Uphus
Dempsey	Heir	Lynch	Pellow	Valento
Dille	Henry	Macklin	Runbeck	Waltman
Erhardt	Hufnagle	Marsh	Schafer	Weaver
Frederick	Hugoson	McPherson	Schreiber	Welker
Frerichs	Johnson, V.	Morrison	Seaberg	

Those who voted in the negative were:

Anderson, I.	Garcia	Lasley	Orfield	Sparby
Battaglia	Greenfield	Lieder	Osthoff	Steensma
Bauerly	Hanson	Lourey	Ostrom	Thompson
Beard	Hasskamp	Mariani	Pelowski	Trimble
Begich	Hausman	McEachern	Peterson	Tunheim
Bertram	Janezich	McGuire	Pugh	Vanasek
Bodahl	Jaros	Milbert	Reding	Vellenga
Brown	Jefferson	Munger	Rest	Wagenius
Carlson	Jennings	Murphy	Rice	Wejcman
Carruthers	Johnson, A.	Nelson, K.	Rodosovich	Welle
Clark	Johnson, R.	Nelson, S.	Rukavina	Wenzel
Cooper	Kahn	O'Connor	Sarna	Winter
Dauner	Kalis	Ogren	Segal	Spk. Long
Dawkins	Kelso	Olson, E.	Simoneau	
Dorn	Kinkel	Olson, K.	Skoglund	
Farrell	Krueger	Orenstein	Solberg	

So it was the judgment of the House that the Abrams point of order was not well taken and that H. F. No. 2694 was in order.

Greenfield moved to amend H. F. No. 2694, the first engrossment, as follows:

Page 196, line 24, delete "March 30, 1993" and insert "September 30, 1992"

Page 326, delete section 137

Page 328, lines 35 and 36, reinstate the stricken language

Page 329, lines 1 through 5, reinstate the stricken language

Page 329, line 6, reinstate the stricken "under this clause continues until June 30, 1992."

Page 329, line 6, strike "June" and insert "September"

Page 339, line 32, delete "156" and insert "155"

Renumber sections in sequence

Correct internal references

The motion prevailed and the amendment was adopted.

Simoneau moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 345, after line 32, insert:

"ARTICLE 6

GENERAL EFFECTIVE DATE

Section 1. [GENERAL EFFECTIVE DATE.]

This act is effective the day after its final enactment, except as to any part of it for which a different effective date is stated."

The motion prevailed and the amendment was adopted.

Bertram; Olson, K.; Cooper; Brown; Schafer; Dauner; Welker; Dille; Koppendrayer; Steensma and Uphus moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 108, lines 15 and 16, reinstate the stricken language and delete the new language

A roll call was requested and properly seconded.

The question was taken on the Bertram et al amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 31 yeas and 101 nays as follows:

Those who voted in the affirmative were:

Bauerly	Frerichs	Krueger	Onnen	Waltman
Bertram	Girard	McEachern	Peterson	Welker
Brown	Gruenes	McPherson	Schafer	Winter
Cooper	Hasskamp	Nelson, S.	Steensma	
Dauner	Jennings	O'Connor	Sviggum	
Davids	Koppendrayer	Olson, E.	Tunheim	
Dille	Krinkie	Olson, K.	Uphus	

Those who voted in the negative were:

Abrams	Garcia	Kinkel	Omann	Skoglund
Anderson, I.	Goodno	Knickerbocker	Orenstein	Smith
Anderson, R.	Greenfield	Krambeer	Orfield	Solberg
Anderson, R. H.	Gutknecht	Lasley	Osthoff	Sparby
Battaglia	Hanson	Leppik	Ostrom	Stanius
Beard	Hartle	Lieder	Ozment	Swenson
Begich	Haukoos	Limmer	Pauly	Thompson
Bettermann	Hausman	Lourey	Pellow	Trimble
Bishop	Heir	Lynch	Pelowski	Valento
Blatz	Henry	Macklin	Pugh	Vanasek
Bodahl	Hufnagle	Mariani	Reding	Vellenga
Boo	Hugoson	Marsh	Rest	Wagenius
Carlson	Janezich	McGuire	Rice	Weaver
Carruthers	Jaros	Milbert	Rodosovich	Wejcman
Clark	Jefferson	Morrison	Rukavina	Welle
Dawkins	Johnson, A.	Munger	Runbeck	Wenzel
Dempsey	Johnson, R.	Murphy	Sarna	Spk. Long
Dorn	Johnson, V.	Nelson, K.	Schreiber	
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	Ogren	Segal	
Frederick	Kelso	Olsen, S.	Simoneau	

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

Bertram; Olson, K.; Cooper; Brown; Schafer; Dauner; Welker; Dille; Koppendrayer; Steensma and Uphus moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 108, line 15, after "1991" insert "and until June 30, 1992"

Page 108, line 16, delete "for calendar year" and insert "from July 1,"

A roll call was requested and properly seconded.

The question was taken on the Bertram et al amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 55 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Davids	Hufnagle	Nelson, S.	Smith
Anderson, R. H.	Dille	Hugoson	O'Connor	Steensma
Bauerly	Frederick	Jennings	Olson, E.	Sviggum
Beard	Frerichs	Kalis	Olson, K.	Tompkins
Bertram	Girard	Koppendrayer	Onnen	Trimble
Bettermann	Goodno	Krinkie	Ostrom	Tunheim
Bishop	Gruenes	Krueger	Pellow	Uphus
Blatz	Gutknecht	Lasley	Pelowski	Waltman
Brown	Hasskamp	Marsh	Peterson	Weaver
Cooper	Heir	McEachern	Reding	Welker
Dauner	Henry	McPherson	Schafer	Winter

Those who voted in the negative were:

Abrams	Hanson	Limmer	Orfield	Solberg
Anderson, I.	Hartle	Lourey	Osthoff	Sparby
Battaglia	Haukoos	Lynch	Ozment	Stanius
Begich	Hausman	Macklin	Pauly	Swenson
Bodahl	Jaros	Mariani	Pugh	Thompson
Boo	Jefferson	McGuire	Rest	Valento
Carlson	Johnson, A.	Milbert	Rice	Vanasek
Carruthers	Johnson, R.	Morrison	Rodosovich	Vellenga
Clark	Johnson, V.	Munger	Rukavina	Wagenius
Dawkins	Kahn	Murphy	Runbeck	Wejcman
Dempsey	Kelso	Nelson, K.	Sarna	Welle
Dorn	Kinkel	Newinski	Schreiber	Wenzel
Erhardt	Knickerbocker	Ogren	Seaberg	Spk. Long
Farrell	Krambeer	Olsen, S.	Segal	
Garcia	Leppik	Omann	Simoneau	
Greenfield	Lieder	Orenstein	Skoglund	

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

Lieder; Dauner; Sparby; Rice; Nelson, S.; Kalis; Winter; Steensma; Frederick and Frerichs moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 30, after line 19, insert:

"The department of trade and economic development may grant up to $125,000 to a private entity for a pilot project to test the feasibility of an energy conversion plant utilizing an anaerobic digestion system. This appropriation is available only upon verification that

matching funds have been committed
to the project from other sources."

The motion prevailed and the amendment was adopted.

Solberg moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 50, strike lines 1 to 3 and insert "state."

Page 50, delete section 58

Page 50, line 25, delete "11" and insert "10"

Page 50, line 30, delete "12" and insert "11"

Page 51, line 5, delete everything after the period

Page 51, delete lines 6 and 7

Page 51, line 10, delete "13" and insert "12"

Page 51, line 20, delete "14" and insert "13" and delete "DISTRICT COURT" and insert "EMERGENCY APPROPRIATION; CORRECTIONAL FACILITY INMATES.]"

Page 51, line 21, delete "ADMINISTRATION.]"

Page 51, line 24, delete everything after the first "the" and insert "state public defender. In cases where adequate representation cannot be provided by the district public defender and where counsel has been appointed under a court order, the state public defender shall forward to the commissioner of finance all billings for services rendered under the court order. The commissioner shall pay for services from funds appropriated to the commissioner of revenue for that purpose. In the event funds are not appropriated for that purpose, the state public defender shall apply to the legislative advisory commission for an emergency appropriation. The request for emergency funding must be placed on the agenda of the next regularly scheduled meeting of the legislative advisory commission. The state public defender is not responsible for the payment of these costs until action has been taken by the commission.

The costs of appointed counsel and associated services in cases arising from new criminal charges brought against indigent inmates who are incarcerated in a Minnesota state correctional facility with which the state contracts are the responsibility of the state. In such cases the state public defender shall follow the procedures outlined

in this section for obtaining court-ordered counsel or an emergency appropriation from the legislative advisory commission. The request for emergency funding must be placed on the agenda of the next regularly scheduled meeting of the legislative advisory commission."

Page 51, delete lines 25 to 36

Page 52, delete line 1

Page 52, delete section 63

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Abrams moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 34, after line 19, insert:

"Sec. 31. Minnesota Statutes 1990, section 16A.14, is amended by adding a subdivision to read:

Subd. 4a. [WORKING PAPERS.] Appropriation working papers that are not set forth in a law do not have the force and effect of law. They are not binding on any agency or official regarding the allotment, transfer, or expenditure of all or part of an appropriation."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Abrams amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 58 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Newinski	Smith
Anderson, R. H.	Girard	Koppendrayer	Olsen, S.	Stanius
Bettermann	Goodno	Krambeer	Omann	Sviggum
Bishop	Gruenes	Krinkie	Onnen	Swenson
Blatz	Gutknecht	Leppik	Ozment	Tompkins
Boo	Hartle	Limmer	Pauly	Uphus
Dauner	Haukoos	Lynch	Pellow	Valento
Davids	Heir	Macklin	Peterson	Waltman
Dempsey	Henry	Marsh	Runbeck	Weaver
Dille	Hufnagle	McPherson	Schafer	Welker
Erhardt	Hugoson	Morrison	Schreiber	
Frederick	Johnson, V.	Nelson, S.	Seaberg	

Those who voted in the negative were:

Anderson, I.	Farrell	Krueger	Orfield	Sparby
Anderson, R.	Garcia	Lasley	Osthoff	Steensma
Battaglia	Greenfield	Lieder	Ostrom	Thompson
Bauerly	Hanson	Lourey	Pelowski	Trimble
Beard	Hasskamp	Mariani	Pugh	Tunheim
Begich	Hausman	McGuire	Reding	Vanasek
Bertram	Jaros	Milbert	Rest	Vellenga
Bodahl	Jefferson	Munger	Rice	Wagenius
Brown	Jennings	Murphy	Rodosovich	Wejcman
Carlson	Johnson, A.	Nelson, K.	Rukavina	Welle
Carruthers	Johnson, R.	O'Connor	Sarna	Wenzel
Clark	Kahn	Ogren	Segal	Winter
Cooper	Kalis	Olson, E.	Simoneau	Spk. Long
Dawkins	Kelso	Olson, K.	Skoglund	
Dorn	Kinkel	Orenstein	Solberg	

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

Macklin, Limmer, Jennings and Smith moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 227, after line 13, insert:

"Sec. 40. [256.046] [ADMINISTRATIVE FRAUD DISQUALIFICATION HEARINGS.]

Subdivision 1. [HEARING AUTHORITY.] A local agency may initiate an administrative fraud disqualification hearing for individuals accused of wrongfully obtaining assistance or intentional program violations in the aid to families with dependent children or food stamp programs. The hearing is subject to the requirements of section 256.045 and the requirements in Code of Federal Regulations, title 7, section 273.16, for the food stamp program and title 45,

section 235.112, for the aid to families with dependent children program.

Subd. 2. [COMBINED HEARING.] The referee may combine a fair hearing and administrative fraud disqualification hearing into a single hearing if the factual issues arise out of the same, or related, circumstances and the individual receives prior notice that the hearings will be combined. If the administrative fraud disqualification hearing and fair hearing are combined, the time frames for administrative fraud disqualification hearings set forth in Code of Federal Regulations, title 7, section 273.16, and title 45, section 235.112, apply. If the individual accused of wrongfully obtaining assistance is charged under section 256.98 for the same act or acts which are the subject of the hearing, the individual may request that the hearing be delayed until the criminal charge is decided by the court or withdrawn.

Subd. 3. [PROSECURORIAL DISCRETION.]

Nothing in this subdivision shall limit the discretion of a county attorney to initiate a criminal prosecution where such action is deemed appropriate.

Sec. 41. Minnesota Statutes 1990, section 256.12, is amended by adding a subdivision to read:

Subd. 23. [IN-KIND INCOME.] "In-kind income," as used in sections 256.72 to 256.87, means income, benefits, or payments provided in a form other than money or liquid assets. In-kind income includes goods, produce, services, privileges, or payments on behalf of a person by a third party. Retirement Survivors and Disability Insurance (RSDI) benefits of an applicant or recipient, paid to a representative payee, and spent on behalf of the applicant or recipient, are not in-kind income, but are considered available income of the applicant or recipient."

Page 233, after line 31, insert:

"Sec. 48. Minnesota Statutes 1991 Supplement, 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, in either the aid to families with dependent children program or the food stamp 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 ~~conviction~~ offense;

(2) for 12 months after the second ~~conviction~~ offense; and

(3) permanently after the third or subsequent ~~conviction~~ offense.

Any period for which sanctions are imposed is effective, without possibility of administrative stay, 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. When the disqualified individual is a caretaker relative, the remainder of the aid to families with dependent children grant payable to the other eligible assistance unit members must be provided in the form of protective payments. These payments may be made to the disqualified individual only if, after reasonable efforts, the county agency documents that it cannot locate an appropriate protective payee. Protective payments must continue until the disqualification period ends.

Sec. 49. [256.986] [ASSISTANCE TRANSACTION CARD FRAUD.]

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

(a) "Assistance transaction card" means any instrument or device issued for the use of the cardholder in obtaining financial or medical assistance or in accessing any automated teller or electronic benefits machine to secure cash assistance.

(b) "Issuer" means the department of human services or any county welfare agency or human services board that issues an assistance transaction card.

(c) "Cardholder" means a person in whose name an assistance transaction card is issued.

Subd. 2. [VIOLATION.] A person who does any of the following commits assistance transaction card fraud:

(1) uses or attempts to use a card to obtain assistance without the consent of the cardholder knowing the cardholder has not given consent;

(2) uses or attempts to use a card knowing it to be forged, false, fictitious, or obtained in violation of clause (5);

(3) sells or transfers a card knowing that the issuer has not authorized the person to whom the card is sold or transferred to use

the card, or knowing the card is forged, false, fictitious, or was obtained in violation of clause (5);

(4) receives or possesses, with intent to use, sell, or transfer in violation of clause (3), two or more cards issued in the name of another, or two or more cards knowing the cards to be forged, false, fictitious, or obtained in violation of clause (5);

(5) upon applying for an assistance transaction card from the issuer, knowingly gives a false name; and

(6) with intent to defraud, falsely notifies the issuer or any other person of a theft, loss, disappearance, or nonreceipt of an assistance transaction card.

Subd. 3. [SENTENCE.] A person who commits assistance transaction card fraud is guilty of theft and shall be sentenced under section 609.52, subdivision 3."

Page 301, after line 32, insert:

"Sec. 109. Minnesota Statutes 1990, section 256D.02, subdivision 8, is amended to read:

Subd. 8. "Income" means any form of income, including remuneration for services performed as an employee and net earnings from self-employment, reduced by the amount attributable to employment expenses as defined by the commissioner. The amount attributable to employment expenses shall include amounts paid or withheld for federal and state personal income taxes and federal social security taxes.

"Income" includes any payments received as an annuity, retirement, or disability benefit, including veteran's or workers' compensation; old age, survivors, and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, supplementary security income, or other assistance program; rents, dividends, interest and royalties; and support and maintenance payments. Such payments may not be considered as available to meet the needs of any person other than the person for whose benefit they are received, unless that person is a family member or a spouse and the income is not excluded under section 256D.01, subdivision 1a. Goods and services provided in lieu of cash payment shall be excluded from the definition of income, except that payments made for room, board, tuition or fees by a parent, on behalf of a child enrolled as a full-time student in a post-secondary institution, and payments made on behalf of an applicant or recipient which the applicant or recipient could legally require to be paid in cash to himself or herself, must be included as income. Benefits of an applicant or recipient, such as

those administered by the Social Security Administration, that are paid to a representative payee, and are spent on behalf of the applicant or recipient, are considered available income of the applicant or recipient."

Page 316, after line 19, insert:

"Sec. 120. Minnesota Statutes 1990, section 256D.35, subdivision 11, is amended to read:

Subd. 11. [IN-KIND INCOME.] "In-kind income" means income, benefits, or payments that are provided in a form other than money or liquid asset. In-kind income includes goods, produce, services, privileges, or payments on behalf of a person by a third party; except benefits of the recipient, such as those administered by the Social Security Administration, that are paid to a representative payee, and are spent on behalf of the applicant or recipient, are not in-kind income, but are considered available income of the applicant or recipient."

Page 345, after line 10, insert:

"Sec. 166. [APPROPRIATIONS.]

Subdivision 1. [ADMINISTRATIVE FRAUD DISQUALIFICATION HEARINGS.] $260,000 is appropriated from the general fund to the commissioner of human services for fiscal year 1993, to establish an administrative fraud disqualification hearing process in the state of Minnesota. This appropriation is for other administrative expenses related to the funding of state staff to implement administrative fraud disqualification hearings.

Subd. 2. [CREDIT BUREAU ACCESS.] $40,000 is appropriated from the general fund to the commissioner of human services for fiscal year 1993, for the purchase or lease of equipment and to cover the cost of credit bureau access by fraud prevention investigators and others involved in welfare fraud investigations."

Renumber sections in sequence

Adjust totals accordingly

Amend the title

The question was taken on the Macklin et al amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 112 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Kinkel	Olson, E.	Smith
Anderson, I.	Farrell	Knickerbocker	Olson, K.	Solberg
Anderson, R.	Frederick	Koppendrayer	Omann	Sparby
Anderson, R. H.	Frerichs	Krambeer	Onnen	Stanius
Battaglia	Girard	Krinkie	Orenstein	Steensma
Bauerly	Goodno	Krueger	Orfield	Sviggum
Beard	Gruenes	Lasley	Osthoff	Swenson
Begich	Gutknecht	Leppik	Ostrom	Thompson
Bertram	Hanson	Lieder	Ozment	Tompkins
Bettermann	Hartle	Limmer	Pauly	Tunheim
Bishop	Hasskamp	Lynch	Pellow	Uphus
Blatz	Haukoos	Macklin	Pelowski	Valento
Bodahl	Hausman	Marsh	Peterson	Wagenius
Boo	Heir	McEachern	Pugh	Waltman
Brown	Henry	McGuire	Reding	Weaver
Carlson	Hufnagle	McPherson	Rodosovich	Welker
Carruthers	Hugoson	Milbert	Rukavina	Welle
Cooper	Jennings	Morrison	Runbeck	Wenzel
Dauner	Johnson, A.	Murphy	Sarna	Winter
Davids	Johnson, R.	Nelson, S.	Schafer	Spk. Long
Dempsey	Johnson, V.	Newinski	Schreiber	
Dille	Kalis	O'Connor	Seaberg	
Dorn	Kelso	Olsen, S.	Skoglund	

Those who voted in the negative were:

Clark	Greenfield	Kahn	Ogren	Vanasek
Dawkins	Jaros	Lourey	Rice	Vellenga
Garcia	Jefferson	Mariani	Simoneau	Wejcman

The motion prevailed and the amendment was adopted.

Seaberg moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Pages 81 and 82, delete section 42

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Seaberg amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 55 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Knickerbocker	Olsen, S.	Seaberg
Anderson, R. H.	Goodno	Koppendrayer	Omann	Smith
Bettermann	Gruenes	Krinkie	Onnen	Stanius
Bishop	Gutknecht	Leppik	Osthoff	Sviggum
Blatz	Hartle	Limmer	Ozment	Tompkins
Davids	Haukoos	Lynch	Pauly	Uphus
Dempsey	Heir	Macklin	Pellow	Valento
Dille	Henry	Marsh	Pugh	Waltman
Erhardt	Hufnagle	McPherson	Runbeck	Weaver
Frederick	Hugoson	Morrison	Schafer	Welker
Frerichs	Johnson, V.	Newinski	Schreiber	Winter

Those who voted in the negative were:

Anderson, I.	Farrell	Krambeer	Olson, K.	Sparby
Anderson, R.	Garcia	Krueger	Orenstein	Steensma
Battaglia	Greenfield	Lasley	Orfield	Thompson
Bauerly	Hanson	Lieder	Ostrom	Trimble
Beard	Hasskamp	Lourey	Pelowski	Tunheim
Begich	Hausman	Mariani	Peterson	Vanasek
Bertram	Janezich	McEachern	Reding	Vellenga
Bodahl	Jaros	McGuire	Rest	Wagenius
Brown	Jefferson	Milbert	Rice	Wejcman
Carlson	Jennings	Munger	Rodosovich	Welle
Carruthers	Johnson, A.	Murphy	Rukavina	Wenzel
Clark	Johnson, R.	Nelson, K.	Sarna	Spk. Long
Cooper	Kahn	Nelson, S.	Segal	
Dauner	Kalis	O'Connor	Simoneau	
Dawkins	Kelso	Ogren	Skoglund	
Dorn	Kinkel	Olson, E.	Solberg	

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

Thompson and Pelowski moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 19, line 33, after the second "subdivision 2" insert "; Minnesota Statutes 1991 Supplement, sections 136E.01; 136E.02; 136E.03; 136E.04; and 136E.05; Laws 1991, chapter 356, article 9, sections 8; 9; 10; 11; 12; 13; 14; and 15"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker called Krueger to the Chair.

Henry, Bettermann, Blatz and Pellow moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 307, after line 1, insert:

"Sec. 113. [256D.045] [SOCIAL SECURITY NUMBERS.]

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

Renumber the sections in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Henry et al amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 80 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Kinkel	Nelson, S.	Schreiber
Anderson, I.	Frederick	Knickerbocker	Newinski	Seaberg
Anderson, R.	Frerichs	Koppendrayer	Olsen, S.	Smith
Anderson, R. H.	Girard	Krambeer	Olson, E.	Solberg
Bertram	Goodno	Krinkie	Omann	Sparby
Bettermann	Gruenes	Leppik	Onnen	Stanius
Blatz	Gutknecht	Lieder	Osthoff	Steensma
Boo	Hartle	Limmer	Ostrom	Sviggum
Carlson	Hasskamp	Lynch	Ozment	Swenson
Carruthers	Heir	Macklin	Pauly	Tompkins
Cooper	Henry	Marsh	Pellow	Tunheim
Dauner	Hufnagle	McEachern	Pelowski	Uphus
Davids	Hugoson	McGuire	Peterson	Valento
Dempsey	Jennings	McPherson	Pugh	Waltman
Dille	Johnson, R.	Milbert	Runbeck	Weaver
Dorn	Johnson, V.	Morrison	Schafer	Welker

Those who voted in the negative were:

Battaglia	Brown	Hanson	Johnson, A.	Lourey
Bauerly	Clark	Haukoos	Kahn	Mariani
Beard	Dawkins	Hausman	Kalis	Munger
Begich	Farrell	Janezich	Kelso	Murphy
Bishop	Garcia	Jaros	Krueger	Ogren
Bodahl	Greenfield	Jefferson	Lasley	Olson, K.

Orenstein	Rodosovich	Skoglund	Vellenga	Wenzel
Orfield	Rukavina	Thompson	Wagenius	Winter
Reding	Segal	Trimble	Wejcman	Spk. Long
Rice	Simoneau	Vanasek	Welle	

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Smith moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 34, after line 19, insert:

"Sec. 31. Minnesota Statutes 1990, section 16A.18, is amended to read:

16A.18 [ACCOUNTING, PAYROLL FOR COURTS, ~~LEGISLATURE~~.]

The judicial ~~and legislative branches are~~ branch is not required to use the state accounting system or a computerized payroll system."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Smith amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 59 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Hasskamp	Knickerbocker	Marsh
Anderson, R. H.	Frederick	Haukoos	Koppendrayer	McPherson
Bettermann	Frerichs	Heir	Krambeer	Morrison
Blatz	Girard	Henry	Krinkie	Newinski
Boo	Goodno	Hufnagle	Leppik	Olsen, S.
Davids	Gruenes	Hugoson	Limmer	Omann
Dempsey	Gutknecht	Jennings	Lynch	Onnen
Dille	Hartle	Johnson, V.	Macklin	Ostrom

Ozment	Peterson	Seaberg	Swenson	Waltman
Pauly	Runbeck	Smith	Tompkins	Weaver
Pellow	Schafer	Stanius	Uphus	Welker
Pelowski	Schreiber	Sviggum	Valento	

Those who voted in the negative were:

Anderson, I.	Dawkins	Kinkel	Olson, K.	Sparby
Anderson, R.	Dorn	Krueger	Orenstein	Steensma
Battaglia	Farrell	Lasley	Orfield	Thompson
Bauerly	Garcia	Lieder	Osthoff	Trimble
Beard	Greenfield	Lourey	Pugh	Tunheim
Begich	Hanson	Mariani	Reding	Vanasek
Bertram	Hausman	McGuire	Rest	Vellenga
Bishop	Janezich	Milbert	Rice	Wagenius
Bodahl	Jaros	Munger	Rodosovich	Wejcman
Brown	Jefferson	Murphy	Rukavina	Welle
Carlson	Johnson, A.	Nelson, K.	Sarna	Wenzel
Carruthers	Johnson, R.	Nelson, S.	Segal	Winter
Clark	Kahn	O'Connor	Simoneau	Spk. Long
Cooper	Kalis	Ogren	Skoglund	
Dauner	Kelso	Olson, E.	Solberg	

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

Davids moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Pages 42 to 44, delete sections 46 to 48

Pages 45 to 49, delete sections 51 and 52

Page 64, delete section 19

Pages 67 to 71, delete sections 24, 25, 26, 27, 28, and 29

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Davids amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 60 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Goodno	Koppendrayer	Olsen, S.	Schreiber
Anderson, R. H.	Gruenes	Krambeer	Olson, E.	Smith
Bettermann	Gutknecht	Krinkie	Olson, K.	Sparby
Bishop	Hartle	Limmer	Omann	Stanius
Blatz	Hasskamp	Lynch	Onnen	Sviggum
Dauner	Haukoos	Macklin	Osthoff	Tompkins
Davids	Heir	Marsh	Ozment	Uphus
Dempsey	Henry	McEachern	Pauly	Valento
Dille	Hufnagle	McPherson	Pellow	Waltman
Frederick	Hugoson	Milbert	Peterson	Weaver
Frerichs	Jennings	Morrison	Runbeck	Welker
Girard	Knickerbocker	Newinski	Schafer	Winter

Those who voted in the negative were:

Abrams	Dawkins	Kinkel	Orfield	Solberg
Anderson, I.	Dorn	Krueger	Ostrom	Steensma
Battaglia	Farrell	Lasley	Pelowski	Swenson
Bauerly	Garcia	Leppik	Pugh	Thompson
Beard	Greenfield	Lieder	Reding	Trimble
Begich	Hanson	Lourey	Rest	Tunheim
Bertram	Janezich	McGuire	Rice	Vanasek
Bodahl	Jaros	Munger	Rodosovich	Vellenga
Boo	Jefferson	Murphy	Rukavina	Wagenius
Brown	Johnson, A.	Nelson, K.	Sarna	Wejcman
Carlson	Johnson, R.	Nelson, S.	Seaberg	Welle
Carruthers	Kahn	O'Connor	Segal	Wenzel
Clark	Kalis	Ogren	Simoneau	Spk. Long
Cooper	Kelso	Orenstein	Skoglund	

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

Bishop moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 26, line 11, delete "1,000,000" and insert "1,800,000"

Adjust the totals accordingly

The question was taken on the Bishop amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 125 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Anderson, R. H.	Beard	Bettermann	Bodahl
Anderson, I.	Battaglia	Begich	Bishop	Boo
Anderson, R.	Bauerly	Bertram	Blatz	Brown

Carlson	Haukoos	Limmer	Onnen	Smith
Carruthers	Hausman	Lourey	Orenstein	Solberg
Clark	Heir	Lynch	Orfield	Sparby
Cooper	Henry	Macklin	Osthoff	Stanius
Dauner	Hugoson	Mariani	Pauly	Steensma
Davids	Janezich	Marsh	Pellow	Sviggum
Dawkins	Jefferson	McEachern	Pelowski	Swenson
Dempsey	Jennings	McGuire	Peterson	Thompson
Dille	Johnson, A.	McPherson	Pugh	Tompkins
Dorn	Johnson, R.	Milbert	Reding	Uphus
Erhardt	Johnson, V.	Morrison	Rest	Valento
Farrell	Kahn	Munger	Rice	Vanasek
Frederick	Kalis	Murphy	Rodosovich	Vellenga
Frerichs	Kelso	Nelson, K.	Rukavina	Wagenius
Garcia	Kinkel	Nelson, S.	Runbeck	Waltman
Girard	Knickerbocker	Newinski	Sarna	Weaver
Goodno	Koppendrayer	O'Connor	Schafer	Wejcman
Greenfield	Krambeer	Ogren	Schreiber	Welker
Gruenes	Krueger	Olsen, S.	Seaberg	Welle
Gutknecht	Lasley	Olson, E.	Segal	Wenzel
Hanson	Leppik	Olson, K.	Simoneau	Winter
Hartle	Lieder	Omann	Skoglund	Spk. Long

Those who voted in the negative were:

Hasskamp	Hufnagle	Jaros	Krinkie

The motion prevailed and the amendment was adopted.

Welker, Runbeck, Valento, Dille, Krinkie, Tompkins and McPherson moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 54, after line 35, insert:

"Sec. 66. [SALARY FREEZE.]

(a) The salary of a public employee may not be increased during the time periods indicated in paragraphs (b), (c) and (d). For purposes of this section, "public employee" means any person employed by a public employer, as defined in Minnesota Statutes, chapter 179A. The term also includes legislators, judges, and constitutional officers, and their employees. For purposes of this section "salary" includes, but is not necessarily limited to, across-the-board increases, step or lane increases, performance-based increases, and lump-sum payments.

(b) The salary of an employee who is covered by a collective bargaining agreement on the effective date of this section may not be increased during the two-year period immediately after the expiration date of the current collective bargaining agreement. A current agreement may not be renegotiated to provide additional salary increases during its term.

(c) The salary of an employee who is not covered by a collective bargaining agreement on the effective date of this section may not be increased during the period in which increases are prohibited for represented employees of the same employer. A salary of such an employee may not be increased after the effective date of this section and before the freeze period, except to the extent that similar increases are granted to comparable represented employees of the same employer. If the employer has no represented employees, a salary may not be increased for two years after the effective date of this section.

(d) The salary of legislators, judges, and constitutional officers may not be increased until January, 1995.

(e) This section supersedes Minnesota Statutes, chapters 15A, 43A, 179A, Laws 1991, chapter 345, and any other law to the contrary. No contract or arbitration award may provide a salary increase in conflict with this section."

Renumber subsequent sections

Correct internal cross references

A roll call was requested and properly seconded.

The question was taken on the Welker et al amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 29 yeas and 100 nays as follows:

Those who voted in the affirmative were:

Bettermann	Frerichs	Koppendrayer	Schafer	Tompkins
Boo	Gutknecht	Krinkie	Schreiber	Uphus
Davids	Haukoos	McPherson	Seaberg	Valento
Dempsey	Hufnagle	Onnen	Smith	Waltman
Dille	Hugoson	Pellow	Stanius	Welker
Erhardt	Johnson, V.	Runbeck	Sviggum	

Those who voted in the negative were:

Abrams	Bertram	Dawkins	Hanson	Jennings
Anderson, I.	Blatz	Dorn	Hartle	Johnson, A.
Anderson, R.	Bodahl	Farrell	Hasskamp	Johnson, R.
Anderson, R. H.	Carlson	Frederick	Hausman	Kahn
Battaglia	Carruthers	Garcia	Henry	Kalis
Bauerly	Clark	Girard	Janezich	Kelso
Beard	Cooper	Goodno	Jaros	Kinkel
Begich	Dauner	Greenfield	Jefferson	Knickerbocker

Krambeer	McGuire	Olson, K.	Rest	Thompson
Krueger	Milbert	Omann	Rice	Trimble
Lasley	Morrison	Orenstein	Rodosovich	Tunheim
Leppik	Munger	Orfield	Rukavina	Vanasek
Lieder	Murphy	Osthoff	Sarna	Vellenga
Limmer	Nelson, K.	Ostrom	Segal	Wagenius
Lourey	Nelson, S.	Ozment	Simoneau	Weaver
Lynch	Newinski	Pauly	Skoglund	Wejcman
Macklin	O'Connor	Pelowski	Solberg	Welle
Mariani	Ogren	Peterson	Sparby	Wenzel
Marsh	Olsen, S.	Pugh	Steensma	Winter
McEachern	Olson, E.	Reding	Swenson	Spk. Long

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

Welker moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 103, line 22, after the period insert:

"No reductions may be made for the state parks listed in Minnesota Statutes, section 85.012."

A roll call was requested and properly seconded.

The question was taken on the Welker amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 64 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Hufnagle	Morrison	Solberg
Anderson, R.	Erhardt	Hugoson	Nelson, S.	Stanius
Anderson, R. H.	Frederick	Jennings	Newinski	Steensma
Bertram	Frerichs	Johnson, V.	Olsen, S.	Sviggum
Bettermann	Girard	Kinkel	Olson, K.	Swenson
Blatz	Goodno	Knickerbocker	Omann	Tompkins
Boo	Gruenes	Koppendrayer	Ostrom	Uphus
Brown	Gutknecht	Krinkie	Pauly	Valento
Cooper	Hanson	Limmer	Pelowski	Waltman
Dauner	Hartle	Lynch	Peterson	Weaver
Davids	Hasskamp	Marsh	Runbeck	Welker
Dempsey	Haukoos	McEachern	Schafer	Winter
Dille	Henry	McPherson	Smith	

Those who voted in the negative were:

Anderson, I.	Bodahl	Farrell	Janezich	Kahn
Battaglia	Carlson	Garcia	Jaros	Kalis
Bauerly	Carruthers	Greenfield	Jefferson	Kelso
Beard	Clark	Hausman	Johnson, A.	Krambeer
Begich	Dawkins	Heir	Johnson, R.	Krueger

Lasley	Murphy	Ozment	Schreiber	Vanasek
Leppik	Nelson, K.	Pellow	Seaberg	Vellenga
Lieder	O'Connor	Pugh	Segal	Wagenius
Lourey	Ogren	Reding	Simoneau	Wejcman
Macklin	Olson, E.	Rest	Skoglund	Welle
Mariani	Onnen	Rice	Sparby	Wenzel
McGuire	Orenstein	Rodosovich	Thompson	Spk. Long
Milbert	Orfield	Rukavina	Trimble	
Munger	Osthoff	Sarna	Tunheim	

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

O'Connor and Reding moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 129, delete lines 52 to 59

Adjust totals accordingly

A roll call was requested and properly seconded.

The question was taken on the O'Connor and Reding amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 81 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Krambeer	Omann	Sparby
Anderson, I.	Garcia	Krinkie	Osthoff	Stanius
Anderson, R.	Goodno	Krueger	Ostrom	Swenson
Anderson, R. H.	Hanson	Lasley	Ozment	Thompson
Battaglia	Hartle	Lieder	Pauly	Trimble
Beard	Hasskamp	Limmer	Pellow	Tunheim
Begich	Hausman	Lourey	Pelowski	Valento
Bertram	Heir	Macklin	Peterson	Waltman
Bettermann	Henry	McEachern	Pugh	Weaver
Bishop	Hufnagle	McGuire	Reding	Wejcman
Boo	Janezich	Milbert	Rukavina	Welker
Brown	Jaros	Morrison	Runbeck	Wenzel
Cooper	Johnson, R.	Nelson, S.	Schafer	Winter
Dauner	Johnson, V.	Newinski	Schreiber	
Davids	Kelso	O'Connor	Seaberg	
Dille	Kinkel	Olson, E.	Smith	
Erhardt	Knickerbocker	Olson, K.	Solberg	

Those who voted in the negative were:

Bauerly	Carruthers	Dorn	Greenfield	Hugoson
Blatz	Clark	Frederick	Gruenes	Jefferson
Bodahl	Dawkins	Frerichs	Gutknecht	Jennings
Carlson	Dempsey	Girard	Haukoos	Johnson, A.

Kahn	McPherson	Rice	Steensma	Welle
Koppendrayer	Olsen, S.	Rodosovich	Sviggum	Spk. Long
Leppik	Onnen	Sarna	Tompkins	
Lynch	Orenstein	Segal	Uphus	
Mariani	Orfield	Simoneau	Vellenga	
Marsh	Rest	Skoglund	Wagenius	

The motion prevailed and the amendment was adopted.

Blatz; Krambeer; Olsen, S.; Valento and Morrison moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 57, line 14, after "1,500,000" insert "1,150,000"

Page 61, line 14, delete "1,150,000"

Page 61, delete lines 21 to 58

Pages 65 to 67, delete sections 22 and 23

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Blatz et al amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 42 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Abrams	Gutknecht	Leppik	Osthoff	Swenson
Bettermann	Haukoos	Limmer	Ozment	Uphus
Blatz	Heir	Lynch	Pauly	Valento
Boo	Henry	Macklin	Rest	Waltman
Dempsey	Hufnagle	McPherson	Runbeck	Weaver
Erhardt	Knickerbocker	Morrison	Schafer	Welker
Farrell	Koppendrayer	Newinski	Schreiber	
Goodno	Krambeer	Olsen, S.	Smith	
Gruenes	Krinkie	Omann	Sviggum	

Those who voted in the negative were:

Anderson, I.	Dorn	Kalis	Olson, K.	Solberg
Anderson, R.	Frederick	Kelso	Onnen	Sparby
Anderson, R. H.	Frerichs	Kinkel	Orenstein	Stanius
Battaglia	Garcia	Krueger	Orfield	Steensma
Bauerly	Girard	Lasley	Ostrom	Thompson
Beard	Greenfield	Lieder	Pellow	Tompkins
Begich	Hanson	Lourey	Pelowski	Trimble
Bertram	Hartle	Mariani	Peterson	Tunheim
Bishop	Hasskamp	Marsh	Pugh	Vanasek
Bodahl	Hausman	McEachern	Reding	Vellenga
Brown	Hugoson	McGuire	Rice	Wagenius
Carruthers	Janezich	Milbert	Rodosovich	Wejcman
Clark	Jefferson	Murphy	Rukavina	Welle
Cooper	Jennings	Nelson, K.	Sarna	Wenzel
Dauner	Johnson, A.	Nelson, S.	Seaberg	Winter
Davids	Johnson, R.	O'Connor	Segal	Spk. Long
Dawkins	Johnson, V.	Ogren	Simoneau	
Dille	Kahn	Olson, E.	Skoglund	

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

Frerichs, Tompkins, Davids, Welker, Sviggum, Heir, Omann, Valento, Bettermann, Haukoos, Koppendrayer, Dempsey, Girard, Macklin, Waltman, Gutknecht, Seaberg and McPherson moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 127, delete lines 29 to 63

Pages 209 to 211, delete section 24

Page 212, line 1, after "develop" strike "the" and insert "only those"

Page 212, line 2, after "facilities" insert "for which the governor has"

Page 212, line 2, strike "in"

Page 212, lines 3 to 9, strike the old language and delete the new language

Page 212, line 10, strike everything before the period and insert "the department of finance to sell and issue bonds"

Page 212, after line 12, insert:

"Sec. 27. [252.505] [SALE OF STATE-OPERATED COMMUNITY FACILITIES.]

Notwithstanding the requirements of chapter 94 or sections 252.025 and 252.50, or any other law to the contrary, the commissioner of human services is directed to sell directly by private sealed bid for not less than the appraised value all of the state-operated

community residential facilities which are constructed or under construction as of June 30, 1992, under the authority of section 252.50, but which are not yet serving residents. In addition, the commissioner is directed to sell all parcels of undeveloped land acquired under the authority of section 252.50 directly by sealed bid for not less than the appraised value. The commissioner shall present to the legislature by February 15, 1993, a report on the implementation of this section and a plan for phase out of all state programs operated under the authority of section 252.50. The plan shall include recommendations developed in consultation with bargaining representatives, for transfer of affected state employees."

A roll call was requested and properly seconded.

The question was taken on the Frerichs et al amendment and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 44 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Koppendrayer	Omann	Smith
Bettermann	Gruenes	Krambeer	Onnen	Stanius
Bishop	Gutknecht	Krinkie	Pauly	Sviggum
Blatz	Haukoos	Leppik	Pellow	Tompkins
Davids	Heir	Limmer	Pelowski	Uphus
Dempsey	Henry	Macklin	Runbeck	Valento
Dille	Hufnagle	Marsh	Schafer	Waltman
Erhardt	Hugoson	McPherson	Schreiber	Welker
Frerichs	Johnson, V.	Morrison	Seaberg	

Those who voted in the negative were:

Anderson, I.	Farrell	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Frederick	Knickerbocker	Olson, E.	Solberg
Anderson, R. H.	Garcia	Krueger	Olson, K.	Sparby
Battaglia	Goodno	Lasley	Orenstein	Steensma
Bauerly	Greenfield	Lieder	Orfield	Swenson
Beard	Hanson	Lourey	Osthoff	Thompson
Begich	Hartle	Lynch	Ostrom	Trimble
Bertram	Hasskamp	Mariani	Ozment	Tunheim
Bodahl	Hausman	McEachern	Peterson	Vanasek
Boo	Janezich	McGuire	Pugh	Wagenius
Brown	Jaros	Milbert	Reding	Weaver
Carlson	Jefferson	Munger	Rest	Wejcman
Carruthers	Jennings	Murphy	Rice	Welle
Clark	Johnson, A.	Nelson, K.	Rodosovich	Wenzel
Cooper	Johnson, R.	Nelson, S.	Rukavina	Winter
Dauner	Kahn	Newinski	Sarna	Spk. Long
Dawkins	Kalis	O'Connor	Segal	
Dorn	Kelso	Ogren	Simoneau	

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

CALL OF THE HOUSE LIFTED

Welle moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

Krinkie, Koppendrayer, Welker and Hufnagle moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Pages 52 to 54, delete sections 64 and 65

Page 55, line 10, delete everything after the period

Page 55, delete line 11

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

Sviggum moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 301, after line 32, insert:

"Sec. 109. Minnesota Statutes 1990, section 256D.01, subdivision 1, is amended to read:

Subdivision 1. [POLICY.] The objectives of sections 256D.01 to 256D.21 are to provide a sound administrative structure for public assistance programs; to maximize the use of federal money for public assistance purposes; and to provide an integrated public assistance program for all persons in the state without adequate income or resources to maintain a subsistence reasonably compatible with decency and health; ~~and to provide work readiness services to help employable and potentially employable persons prepare for and attain self-sufficiency and obtain permanent work~~.

It is declared to be the policy of this state that persons unable to provide for themselves and not otherwise provided for by law and who meet the eligibility requirements of sections 256D.01 to 256D.21 are entitled to receive grants of general assistance neces-

sary to maintain a subsistence reasonably compatible with decency and health. Providing this assistance is a matter of public concern and a necessity in promoting the public health and welfare.

Sec. 110. Minnesota Statutes 1990, section 256D.02, subdivision 12a, is amended to read:

Subd. 12a. [RESIDENT.] For purposes of eligibility for general assistance under section 256D.05, ~~and work readiness payments under section 256D.051,~~ a "resident" is a person living in the state with the intention of making his or her home here and not for any temporary purpose. All applicants for these programs are required to demonstrate the requisite intent and can do so in any of the following ways:

(1) by showing that the applicant maintains a residence at a verified address, other than a place of public accommodation. An applicant may verify a residence address by presenting a valid state driver's license, a state identification card, a voter registration card, a rent receipt, a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address, or other form of verification approved by the commissioner;

(2) by providing written documentation that the applicant came to the state in response to an offer of employment;

(3) by providing verification that the applicant has been a long-time resident of the state or was formerly a resident of the state for at least 365 days and is returning to the state from a temporary absence, as those terms are defined in rules to be adopted by the commissioner; or

(4) by providing other persuasive evidence to show that the applicant is a resident of the state, according to rules adopted by the commissioner."

Page 302, after line 15, insert:

"Sec. 111. Minnesota Statutes 1991 Supplement, section 256D.03, subdivision 2, is amended to read:

Subd. 2. After December 31, 1980, state aid shall be paid for 75 percent of all general assistance ~~and work readiness~~ grants up to the standards of sections 256D.01, subdivision 1a, ~~and 256D.051,~~ and according to procedures established by the commissioner, except as provided for under section 256.017. Benefits shall be issued to recipients by the state or county and funded according to section 256.025, subdivision 3.

Beginning July 1, 1991, the state will reimburse counties accord-

ing to the payment schedule in section 256.025 for the county share of county agency expenditures made under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Sec. 112. Minnesota Statutes 1991 Supplement, section 256D.03, subdivision 2a, is amended to read:

Subd. 2a. [COUNTY AGENCY OPTIONS.] Any county agency may, from its own resources, make payments of general assistance ~~and work readiness assistance~~: (a) at a standard higher than that established by the commissioner without reference to the standards of section 256D.01, subdivision 1; or (b) to persons not meeting the eligibility standards set forth in section 256D.05, subdivision 1, ~~or 256D.051~~ but for whom the aid would fur her the purposes established in the general assistance ~~or work readiness~~ program in accordance with rules adopted by the commissioner pursuant to the administrative procedure act. The Minnesota department of human services may maintain client records and issue these payments, providing the cost of benefits is paid by the counties to the department of human services in accordance with sections 256.01 and 256.025, subdivision 3."

Pages 307 to 314, delete sections 113, 114 and 115, and insert:

"Sec. 113. Minnesota Statutes 1991 Supplement, section 256D.05, subdivision 1, is amended to read:

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

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

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

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

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

(5) a person not described in clause (1) or (3) who is: (a) diagnosed by a licensed physician, licensed psychologist, or other qualified professional, as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment; or (b) certified by a qualified professional as exhibiting perceptible symptoms of mental illness and is not eligible under clause (1) or (3) because the mental illness interferes with diagnosis and professional certification of the illness, and the person cooperates with plans developed by the county agency to address the illness;

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

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

(8) a person ~~who, following participation in the work readiness program, completion of an individualized employability assessment by the work readiness service provider, and consultation between the county agency and the work readiness service provider, the county agency determines is not employable. For purposes of this item, a person is considered employable if the county agency determines that there exist positions of employment in the local labor market, regardless of the current availability of openings for those positions, that the person is capable of performing. Eligibility under this category must be reassessed at least annually by the county agency and must be based upon the results of a new individualized employability assessment completed by the work readiness service provider. The recipient shall, if otherwise eligible, continue to receive general assistance while the annual individualized employability assessment is completed by the work readiness service provider, rather than receive work readiness payments under section 256D.051. Subsequent eligibility for general assistance is dependent upon the county agency determining, following consultation with the work readiness service provider, that the person is not employable, or the person meeting the requirements of another general assistance category of eligibility~~ over age 18 whose primary language is not English and who is attending high school at least half-time;

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

for the person is developed or approved by the county agency, the person is following the plan;

(10) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, but only if: the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the county agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the county agency. For purposes of this clause, "legally emancipated" means a person under the age of 18 years who: (i) has been married; (ii) is on active duty in the uniformed services of the United States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise considered emancipated under Minnesota law, and for whom county social services has not determined that a social services case plan is necessary, for reasons other than that the child has failed or refuses to cooperate with the county agency in developing the plan. A child eligible under this clause who has not graduated from high school or received a general equivalency diploma must be enrolled in and attending high school if an educational option leading to a high school diploma exists. Failure to attend school without good cause will result in disqualification from general assistance as provided in section 256D.051;

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

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

(13) a person who ~~lives more than two hours round trip traveling time from any potential suitable employment; and~~ within the last 12 months has been assessed under Minnesota Rules, parts 9530.6600 to 9530.6655, to be drug dependent and, except for the limitation on the number of days spent in extended care in the past 24 months, determined to meet the criteria for placement in extended care under Minnesota Rules, part 9530.6640;

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

(15) a family as defined in section 256D.02, subdivision 5, which is ineligible for the aid to families with dependent children program. If all children in the family are six years of age or older, or if suitable

child care is available for children under age six at no cost to the family, all the adult members of the family must register for and cooperate in the ~~work readiness~~ .... program under section 256D.051. If one or more of the children is under the age of six and suitable child care is not available without cost to the family, all the adult members except one adult member must register for and cooperate with the ~~work readiness~~ .... program under section 256D.051. The adult member who must participate in the ~~work readiness~~ ..... program is the one having earned the greater of the incomes, excluding in-kind income, during the 24-month period immediately preceding the month of application for assistance. When there are no earnings or when earnings are identical for each adult, the applicant must designate the adult who must participate in ~~work readiness~~ ..... program and that designation must not be transferred or changed after program eligibility is determined as long as program eligibility continues without an interruption of 30 days or more. ~~The adult members required to register for and cooperate with the work readiness program are not eligible for financial assistance under section 256D.051, except as provided in section 256D.051, subdivision 6, and shall be included in the general assistance grant.~~ If an adult member fails to cooperate with requirements of section 256D.051, the local agency shall not take that member's needs into account in making the grant determination as provided by the termination provisions of section 256D.051, ~~subdivision 1a, paragraph (b). The time limits of section 256D.051, subdivision 1, do not apply to persons eligible under this clause~~.

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

(c) As a condition of eligibility under paragraph (a), clauses (1), (3), (5), ~~(8)~~ (6), ~~and~~ (9), and (13), the recipient must complete an interim assistance agreement and must apply for other maintenance benefits as specified in section 256D.06, subdivision 5, and must comply with efforts to determine the recipient's eligibility for those other maintenance benefits.

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

(e) The county agency shall inform recipients terminated from assistance when the work readiness program ends and new applicants determined ineligible for general assistance due to not meeting a category of eligibility of the existence of the ..... program, the

services it provides, and the address and telephone number of the local office.

Sec. 114. Minnesota Statutes 1991 Supplement, section 256D.05, subdivision 6, is amended to read:

Subd. 6. [ASSISTANCE FOR PERSONS WITHOUT A VERIFIED RESIDENCE.] (a) For applicants or recipients of general assistance, or emergency general assistance, ~~or work readiness assistance~~ who do not have a verified residence address, the county agency may provide assistance using one or more of the following methods:

(1) the county agency may provide assistance in the form of vouchers or vendor payments and provide separate vouchers or vendor payments for food, shelter, and other needs;

(2) the county agency may divide the monthly assistance standard into weekly payments, whether in cash or by voucher or vendor payment. Nothing in this clause prevents the county agency from issuing voucher or vendor payments for emergency general assistance in an amount less than the standards of assistance; and

(3) the county agency may determine eligibility and provide assistance on a weekly basis. Weekly assistance can be issued in cash or by voucher or vendor payment and can be determined either on the basis of actual need or by prorating the monthly assistance standard.

(b) An individual may verify a residence address by providing a driver's license; a state identification card; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other written documentation approved by the commissioner.

(c) Notwithstanding the provisions of section 256D.06, subdivision 1, if the county agency elects to provide assistance on a weekly payment basis, the agency may not provide assistance for a period during which no need is claimed by the individual unless the individual has good cause for failing to claim need. The individual must be notified, each time weekly assistance is provided, that subsequent weekly assistance will not be issued unless the individual claims need. The advance notice required under section 256D.10 does not apply to weekly assistance that is withheld because the individual failed to claim need without good cause.

(d) The county agency may not issue assistance on a weekly basis to an applicant or recipient who has professionally certified mental illness or mental retardation or a related condition, or to an assistance unit that includes minor children, unless requested by the assistance unit.

Sec. 115. Minnesota Statutes 1990, section 256D.05, is amended by adding a subdivision to read:

Subd. 8. [PERSONS INELIGIBLE.] (a) Each undocumented alien and nonimmigrant is ineligible for general assistance or emergency general assistance benefits. For purposes of this subdivision, a nonimmigrant is an individual in one or more of the classes listed in United States Code, title 8, section 1101(a)(15), and an undocumented alien is an individual who has come to, entered, or remains in the United States in violation of law and not under color of law.

(b) For the five-year period beginning on the date when lawful temporary resident status was granted under United States Code, title 8, section 1255a, each alien granted lawful temporary residence status is ineligible for general assistance or emergency general assistance benefits. Each alien admitted to the United States for purposes of family unity with an alien granted lawful temporary residence status is ineligible for general assistance or emergency general assistance benefits for the five-year period beginning on the date of entry into the United States.

(c) This subdivision does not apply to a child under age 18, a Cuban or Haitian entrant as defined in Public Law Number 96-722, section 501(e)(1) or (2)(a), or to an alien who is aged, blind, or disabled as defined in United States Code, title 42, section 1382c(a)(1).

Sec. 116. Minnesota Statutes 1991 Supplement, section 256D.051, subdivision 3, is amended to read:

Subd. 3. [REGISTRANT DUTIES.] In order to receive ~~work readiness~~ general assistance, a ~~registrant~~ recipient who is required to participate in the .... program under the provisions of section 256D.05, subdivision 1, shall:

(1) ~~cooperate with the county agency in all aspects of the work readiness~~ participate in and cooperate with the ..... program;

(2) accept any suitable employment, including employment offered through the job training partnership act, and other employment and training options; and

(3) participate in ~~work readiness~~ ..... program activities assigned by the ~~county agency~~ ..... program service provider. The county agency may terminate assistance to a ~~registrant~~ recipient who fails to cooperate in the ~~work readiness~~ ..... program, as provided in subdivision ~~1a~~ 13a.

Sec. 117. Minnesota Statutes 1990, section 256D.051, subdivision 3b, is amended to read:

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

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

~~(2) meets the requirements in subdivisions 3 and 8.~~ A recipient required to attend high school under the provisions of section 256D.05, subdivision 1, clause (10), shall be determined to be attending school if the person meets the school's attendance requirements. The recipient is considered to be attending school when the recipient is enrolled but school is not in regular session, including holidays and summer breaks. The county agency must verify school attendance through quarterly contacts with the school. Prior to utilizing the disqualification procedures in subdivision 13a, the county agency must meet with the recipient and school personnel to determine if the recipient had good cause for failing to attend school and to determine if the recipient faces barriers to school attendance. If the county determines the recipient has failed without good cause to attend school, the recipient shall be disqualified from general assistance under the provisions of subdivision 13a.

Sec. 118. Minnesota Statutes 1991 Supplement, section 256D.051, subdivision 8, is amended to read:

Subd. 8. [VOLUNTARY QUIT.] A person who is required to participate in ~~work readiness~~ .... program services is not eligible for general assistance ~~or work readiness~~ payments ~~or services~~ if, without good cause, the person refuses a legitimate offer of, or quits, suitable employment within 60 days before the date of application. A person who is required to participate in ~~work readiness~~ .... program services and, without good cause, voluntarily quits suitable employment or refuses a legitimate offer of suitable employment while receiving general assistance ~~or work readiness~~ payments ~~or services~~ shall be terminated from the general assistance ~~or work readiness~~ program as specified in subdivision ~~1a~~ 13a.

Sec. 119. Minnesota Statutes 1990, section 256D.051, subdivision 13, is amended to read:

Subd. 13. [RIGHT TO NOTICE AND HEARING.] (a) The county agency shall provide notice and opportunity for hearings ~~as required~~ for persons who must be disqualified under this section according to section ~~256D.101, for adverse actions based on a determination that a recipient has failed to participate in work readiness activities, or 256D.10 for all other adverse actions. A determination made under subdivision 1, that a person is not eligible for general assistance is a denial of general assistance for purposes of notice, appeal, and~~

~~hearing requirements. The county agency must notify the person that this determination will result in a requirement that the person participate in the work readiness program as a condition of receiving assistance~~ 256D.10.

Sec. 120. Minnesota Statutes 1990, section 256D.051, is amended by adding a subdivision to read:

Subd. 13a. [DISQUALIFICATION PROCEDURES.] The .... program service provider shall determine if a general assistance recipient who is a mandatory participant in the .... program has, without good cause, failed to participate or cooperate with program requirements, or has quit or refused to accept suitable employment while participating in the program, and shall promptly notify the county agency of the determination. Such determination is binding upon the county agency. When the county agency is notified that a mandatory recipient has, without good cause, failed to participate in or comply with the .... program or has quit or refused to accept suitable employment while participating in the program, and when the county determines that a mandatory recipient has, without good cause, failed to attend high school under the provisions of subdivision 3b, the county shall disqualify the recipient from general assistance. The period of disqualification shall be two months, beginning with the first day of the first month in which the disqualification is imposed following timely notice. During a disqualification, the county agency shall remove the disqualified person's needs from the grant and provide assistance to the remaining members of the assistance unit through vouchers or vendor payments. A person disqualified from general assistance must reapply for benefits before being added to the assistance unit and determined eligible for assistance."

Pages 315 and 316, delete sections 118 and 119 and insert:

"Sec. 121. Minnesota Statutes 1991 Supplement, section 256D.065, is amended to read:

256D.065 [GENERAL ASSISTANCE ~~AND WORK READINESS~~ PAYMENTS FOR NEW RESIDENTS.]

Notwithstanding any other provisions of sections 256D.01 to 256D.21, otherwise eligible applicants without minor children, who have been residing in the state less than six months, shall be granted general assistance ~~and work readiness~~ payments in an amount that, when added to the nonexempt income actually available to the applicant, shall equal 60 percent of the amount that the applicant would be eligible to receive under section 256D.06, subdivision 1. A person may receive benefits in excess of this amount, equal to the lesser of the benefits actually received in the last state of residence or the maximum benefits allowable under section 256D.06, subdivision 1. To receive the higher benefit amount, the

person must provide verification of the amount of assistance received in the last state of residence. Nonexempt income is the income considered available under Minnesota Rules, parts 9500.1200 to 9500.1270.

Sec. 122. Minnesota Statutes 1990, section 256D.09, subdivision 2a, is amended to read:

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

(1) the person has required detoxification two or more times in the past 12 months;

(2) the person appears intoxicated at the county agency as indicated by two or more of the following:

(i) the odor of alcohol;

(ii) slurred speech;

(iii) disconjugate gaze;

(iv) impaired balance;

(v) difficulty remaining awake;

(vi) consumption of alcohol;

(vii) responding to sights or sounds that are not actually present;

(viii) extreme restlessness, fast speech, or unusual belligerence;

(3) the person has been involuntarily committed for drug dependency at least once in the past 12 months; or

(4) the person has received treatment, including domiciliary care, for drug abuse or dependency at least twice in the past 12 months.

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

Sec. 123. Minnesota Statutes 1990, section 256D.09, subdivision 3, is amended to read:

Subd. 3. [EMPLOYMENT FUNDED BY GRANT DIVERSION.] Notwithstanding the provisions of subdivision 1, the commissioner of jobs and training shall establish by rule a grant diversion process for payment of all or a part of a recipient's grant ~~or work readiness assistance~~ payment to a private or nonprofit employer who agrees to employ the recipient in a permanent job or to a public employer who agrees to employ the recipient in a permanent job or an approved community investment program. The commissioner of jobs and training shall design the program to provide, to the extent possible, employment or employment-related training that will enable recipients to become self-supporting. A recipient shall be eligible for general assistance medical care during the term of the grant diversion contract to the extent that medical care coverage is not provided by the employer. Any rule adopted by the commissioner of jobs and training:

(a) shall require the county agencies to administer and deliver the grant diversions directly or to contract for the delivery of the program according to section 268.871;

(b) shall require that ~~grants or work readiness assistance~~ grant

payments paid to employers be paid pursuant to a written grant diversion contract;

(c) shall determine the amount of the grant ~~or work readiness assistance~~ payment to be paid to the employer and the term of the grant diversion contract;

(d) shall establish standards to ensure that recipients hired pursuant to grant diversion contracts do not displace other workers;

(e) shall provide for the amount of the wage to be paid to the recipient, which shall not be less than the minimum wage and shall be the usual and customary wage for comparable jobs with the employers;

(f) shall require that the job provide sufficient hours of work each month to provide a net monthly wage equal to or exceeding the difference between the amount of the grant ~~or work readiness assistance~~ payment retained by the recipient and 150 percent of the recipient's monthly grant ~~or work readiness assistance~~ payment standard if the recipient were not employed; and

(g) may establish other terms and conditions for the operation of the grant diversion process.

Sec. 124. Minnesota Statutes 1991 Supplement, section 256D.10, is amended to read:

256D.10 [HEARINGS PRIOR TO REDUCTION; TERMINATION; SUSPENSION OF GENERAL ASSISTANCE GRANTS.]

No grant of general assistance except one made pursuant to section 256D.06, subdivision 2~~; 256D.051, subdivisions 1, paragraph (d), and 1a, paragraph (b);~~, or 256D.08, subdivision 2, shall be reduced, terminated or suspended unless the recipient receives notice and is afforded an opportunity to be heard prior to any action by the county agency.

Nothing herein shall deprive a recipient of the right to full administrative and judicial review of an order or determination of a county agency as provided for in section 256.045 subsequent to any action taken by a county agency after a prior hearing.

Sec. 125. Minnesota Statutes 1991 Supplement, section 256D.101, subdivision 1, is amended to read:

Subdivision 1. [NOTICE REQUIREMENTS.] ~~(a)~~ At the time a registrant is registered for the ~~work readiness~~ N program, and on the first day of each month of services after that, the ~~county agency~~ .... service provider shall provide, in advance, a clear, written

description of the specific tasks and assigned duties which the mandatory registrant must complete to receive general assistance ~~or work readiness pay~~. The notice must explain that the registrant will be terminated from the ~~work readiness~~ general assistance program ~~at the end of the month~~ if the registrant fails without good cause to comply with ~~work readiness~~ .... program requirements, and must include the name, location, and telephone number of a person or persons the registrant may contact to discuss the registrant's ~~work readiness~~ .... program compliance obligations.

~~(b) For a recipient who has failed to provide the county agency with a mailing address, the recipient must be assigned a schedule by which a recipient is to visit the agency to pick up any notices. For a recipient without a mailing address, notices must be deemed delivered on the date of the registrant's next scheduled visit with the county agency.~~"

Page 334, after line 4, insert:

"Sec. 147. Minnesota Statutes 1990, section 261.001, subdivision 1, is amended to read:

Subdivision 1. The town system for caring for the poor is hereby abolished; hereafter, the county welfare board of each county shall administer poor relief. Poor relief means payment for costs as specifically required or authorized in this chapter, and does not include assistance to meet basic maintenance needs of poor or indigent persons.

Sec. 148. Minnesota Statutes 1990, section 261.003, is amended to read:

261.003 [ELIGIBILITY STANDARDS, RULES.]

The commissioner of human services ~~shall~~ may promulgate rules in accordance with chapter 14, prescribing minimum standards of eligibility and payment for poor relief~~, which shall recognize cost of living differences in the various counties of the state~~.

Sec. 149. Minnesota Statutes 1990, section 261.063, is amended to read:

261.063 [TAX LEVY FOR SOCIAL SECURITY MEASURES; DUTIES OF COUNTY BOARD.]

The board of county commissioners of each county shall annually levy taxes and fix a rate sufficient to produce the full amount required for ~~poor relief~~, benefits specifically required or authorized in this chapter, and the county share of general assistance, aid to dependent children, county share of county and state supplemental

aid to supplemental security income applicants or recipients, and any other social security measures wherein there is now or may hereafter be county participation, sufficient to produce the full amount necessary for each such item, including administrative expenses, for the ensuing year, within the time fixed by law in addition to all other tax levies and tax rates, however fixed or determined, and any commissioner who shall fail to comply herewith shall be guilty of a gross misdemeanor and shall be immediately removed from office by the governor."

Page 335, after line 26, insert:

"Sec. 150. Minnesota Statutes 1990, section 383A.06, subdivision 1, is amended to read:

Subdivision 1. [FINANCING.] Ramsey county shall ~~pay all of the costs of relief of the poor therein and~~ be responsible for all welfare programs within the county, the cost of which is not met from federal, state or private sources."

Page 345, after line 10, insert:

"Sec. 166. [REPEALER; GENERAL ASSISTANCE AND WORK READINESS.]

Minnesota Statutes 1990, sections 256D.051, subdivisions 6b, 7, 9, 10, and 15; 256D.052; 256D.111; and 256D.113; Minnesota Statutes 1991 Supplement, sections 256D.051, subdivisions 1, 1a, 2, 3a, and 6; 256D.101, subdivision 3; and 261.062, are repealed."

Page 345, after line 18, insert:

"Sec. 168. [EFFECTIVE DATE.]

Section 115 is effective July 1, 1992, and applies to all recipients of and applicants for general assistance or emergency general assistance benefits. Sections 147 to 150 are effective the day following final enactment. The commissioner of human services shall not accept applications for work readiness assistance after May 31, 1992."

Renumber sections in sequence

Correct internal cross references

Adjust the totals accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 60 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Johnson, V.	Nelson, S.	Seaberg
Anderson, R. H.	Frederick	Knickerbocker	Newinski	Smith
Bettermann	Frerichs	Koppendrayer	Olsen, S.	Stanius
Bishop	Girard	Krambeer	Omann	Sviggum
Blatz	Goodno	Krinkie	Onnen	Swenson
Boo	Gruenes	Leppik	Ozment	Tompkins
Cooper	Gutknecht	Limmer	Pauly	Uphus
Dauner	Haukoos	Lynch	Pellow	Valento
Davids	Heir	Macklin	Peterson	Waltman
Dempsey	Henry	Marsh	Runbeck	Weaver
Dille	Hufnagle	McPherson	Schafer	Welker
Dorn	Hugoson	Morrison	Schreiber	Winter

Those who voted in the negative were:

Anderson, I.	Garcia	Krueger	Olson, K.	Solberg
Anderson, R.	Greenfield	Lasley	Orenstein	Sparby
Battaglia	Hanson	Lieder	Orfield	Steensma
Bauerly	Hausman	Lourey	Ostrom	Thompson
Beard	Janezich	Mariani	Pugh	Trimble
Begich	Jaros	McEachern	Reding	Tunheim
Bertram	Jefferson	McGuire	Rest	Vanasek
Bodahl	Jennings	Milbert	Rice	Vellenga
Brown	Johnson, A.	Munger	Rodosovich	Wagenius
Carlson	Johnson, R.	Murphy	Rukavina	Wejcman
Carruthers	Kahn	Nelson, K.	Sarna	Welle
Clark	Kalis	O'Connor	Segal	Wenzel
Dawkins	Kelso	Ogren	Simoneau	Spk. Long
Farrell	Kinkel	Olson, E.	Skoglund	

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

Wenzel, Omann, Sparby, Bertram, Haukoos and Frerichs moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 30, delete lines 39 to 42

The motion prevailed and the amendment was adopted.

Kahn and Bishop moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 55, after line 5, insert:

"Sec. 67. [LAYOFFS.]

It is the policy of the legislature to maximize the delivery of services to the public. If layoffs of state employees as defined in Minnesota Statutes, chapter 43A, are necessary in an agency with 50 or more employees, the agency must make an effort to reduce at least the same percentage of management and supervisory personnel as line and support personnel for the biennium ending June 30, 1993. This section does not modify any employee rights contained in any other law or collective bargaining agreement under Minnesota Statutes, chapter 179A."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sviggum moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 126, delete lines 48 to 51

Page 127, delete lines 4 to 28

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 52 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Krambeer	Omann	Stanius
Anderson, R. H.	Gutknecht	Krinkie	Onnen	Sviggum
Bishop	Hartle	Leppik	Ozment	Swenson
Blatz	Haukoos	Limmer	Pauly	Tompkins
Davids	Heir	Lynch	Pellow	Uphus
Dempsey	Henry	Macklin	Runbeck	Valento
Dille	Hufnagle	Marsh	Schafer	Waltman
Dorn	Hugoson	McPherson	Schreiber	Welker
Erhardt	Johnson, V.	Morrison	Seaberg	
Frerichs	Knickerbocker	Newinski	Segal	
Girard	Koppendrayer	Olsen, S.	Smith	

Those who voted in the negative were:

Anderson, I.	Beard	Bodahl	Carruthers	Dawkins
Anderson, R.	Begich	Boo	Clark	Farrell
Battaglia	Bertram	Brown	Cooper	Frederick
Bauerly	Bettermann	Carlson	Dauner	Garcia

Goodno	Kalis	Nelson, K.	Pugh	Thompson
Greenfield	Kelso	Nelson, S.	Reding	Trimble
Hanson	Kinkel	O'Connor	Rest	Tunheim
Hasskamp	Krueger	Ogren	Rice	Vanasek
Hausman	Lasley	Olson, E.	Rodosovich	Vellenga
Janezich	Lourey	Olson, K.	Rukavina	Wagenius
Jaros	Mariani	Orenstein	Sarna	Weaver
Jefferson	McEachern	Orfield	Simoneau	Wejcman
Jennings	McGuire	Osthoff	Skoglund	Welle
Johnson, A.	Milbert	Ostrom	Solberg	Wenzel
Johnson, R.	Munger	Pelowski	Sparby	Winter
Kahn	Murphy	Peterson	Steensma	Spk. Long

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

Johnson, R.; Ogren; Jefferson; Uphus; Jennings; Reding; Simoneau; Carruthers; Boo; Kahn; Osthoff and Anderson, I., moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 40, after line 31, insert:

"(c) If the legislative commission on pensions and retirement, based on the most recent valuation performed by its actuary, determines that the total amount raised by the employer and employee contributions under subdivision 2 and paragraph (b) is less than the actuarial requirements determined under section 356.215, the employer and employee rates must be increased by equal amounts as necessary to meet the actuarial requirements. The employee rate may not exceed 4.15 percent of salary and the employer rate may not exceed 4.29 percent of salary. The increases are effective on the next January 1 following the determination by the commission. The executive director of the Minnesota state retirement system shall notify employing units of any increases under this paragraph."

The motion prevailed and the amendment was adopted.

Gutknecht moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 24, delete lines 21 to 39

Adjust totals accordingly

A roll call was requested and properly seconded.

The question was taken on the Gutknecht amendment and the roll was called. There were 25 yeas and 104 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Hugoson	McPherson	Smith
Davids	Gutknecht	Johnson, V.	Onnen	Stanius
Erhardt	Haukoos	Krinkie	Pellow	Sviggum
Frederick	Henry	Limmer	Schafer	Tompkins
Frerichs	Hufnagle	Marsh	Seaberg	Uphus

Those who voted in the negative were:

Anderson, I.	Dorn	Koppendrayer	Olson, E.	Skoglund
Anderson, R.	Farrell	Krambeer	Olson, K.	Solberg
Anderson, R. H.	Garcia	Krueger	Omann	Sparby
Battaglia	Girard	Lasley	Orenstein	Steensma
Bauerly	Goodno	Leppik	Orfield	Swenson
Beard	Greenfield	Lieder	Osthoff	Thompson
Begich	Hanson	Lourey	Ostrom	Trimble
Bertram	Hartle	Macklin	Ozment	Tunheim
Bettermann	Hasskamp	Mariani	Pauly	Valento
Bishop	Hausman	McEachern	Pelowski	Vanasek
Blatz	Heir	McGuire	Peterson	Vellenga
Bodahl	Jaros	Milbert	Pugh	Wagenius
Boo	Jefferson	Morrison	Reding	Waltman
Brown	Jennings	Munger	Rest	Weaver
Carlson	Johnson, A.	Murphy	Rice	Wejcman
Carruthers	Johnson, R.	Nelson, K.	Rodosovich	Welker
Clark	Kahn	Nelson, S.	Rukavina	Welle
Cooper	Kalis	Newinski	Runbeck	Wenzel
Dauner	Kelso	O'Connor	Sarna	Winter
Dawkins	Kinkel	Ogren	Segal	Spk. Long
Dille	Knickerbocker	Olsen, S.	Simoneau	

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

Morrison and Carlson moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 9, after line 9, add a section to read:

"Sec. 12. Minnesota Statutes 1991 Supplement, section 136A.121, subdivision 2, is amended to read:

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

(1) is a resident of the state of Minnesota;

(2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a student to an eligible college or technical college of choice as defined in sections 136A.095 to 136A.131;

(3) has met the financial need criteria established in Minnesota Rules;

(4) is not in default, as defined by the board, of any federal or state student educational loan; and

(5) is not more than 30 days in arrears for any child support payments owed to a public agency responsible for child support enforcement or, if the applicant is more than 30 days in arrears, is complying with a payment plan for arrearages.

The director and the commissioner of human services shall develop procedures to implement clause (5). A student who is determined to be ineligible for aid under clause (5) may appeal that decision to the board under the provisions of Minnesota Rules, part 4380.7720, subpart 3."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Koppendrayer, Haukoos, Runbeck, Newinski, Hugoson and Frederick moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 55, delete lines 38 and 39

Page 56, delete lines 1 to 7

Adjust totals accordingly

Renumber or reletter in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Koppendrayer et al amendment and the roll was called. There were 26 yeas and 100 nays as follows:

Those who voted in the affirmative were:

Bettermann	Goodno	Hugoson	Omann	Weaver
Bishop	Gruenes	Koppendrayer	Runbeck	Welker
Boo	Gutknecht	Krinkie	Stanius	
Erhardt	Haukoos	Limmer	Sviggum	
Farrell	Heir	Marsh	Valento	
Girard	Henry	McPherson	Waltman	

Those who voted in the negative were:

Abrams	Dorn	Lasley	Olson, K.	Segal
Anderson, I.	Frederick	Leppik	Onnen	Simoneau
Anderson, R.	Frerichs	Lieder	Orenstein	Skoglund
Anderson, R. H.	Garcia	Lourey	Orfield	Smith
Battaglia	Greenfield	Lynch	Osthoff	Solberg
Beard	Hanson	Macklin	Ostrom	Sparby
Begich	Hartle	Mariani	Ozment	Steensma
Bertram	Hasskamp	McEachern	Pauly	Swenson
Blatz	Hausman	McGuire	Pellow	Thompson
Bodahl	Hufnagle	Milbert	Pelowski	Tompkins
Brown	Jaros	Morrison	Peterson	Trimble
Carlson	Jefferson	Munger	Pugh	Tunheim
Carruthers	Jennings	Murphy	Reding	Uphus
Clark	Johnson, A.	Nelson, K.	Rest	Vanasek
Cooper	Johnson, V.	Nelson, S.	Rice	Vellenga
Dauner	Kalis	Newinski	Rodosovich	Wagenius
Davids	Kelso	O'Connor	Rukavina	Welle
Dawkins	Knickerbocker	Ogren	Sarna	Wenzel
Dempsey	Krambeer	Olsen, S.	Schafer	Winter
Dille	Krueger	Olson, E.	Seaberg	Spk. Long

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

Dempsey moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 138, after line 4, insert:

"Sec. 13. Minnesota Statutes 1991 Supplement, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support stipulation of the parties if each party is represented by independent counsel, unless the stipulation does not meet the conditions of paragraph (h). In other cases the court shall determine and order child support in a specific dollar amount in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom. The court may also

order the obligor to pay child support in the form of a percentage share of the obligor's net bonuses, commissions, or other forms of compensation, in addition to, or if the obligor receives no base pay, in lieu of, an order for a specific dollar amount.

The court shall derive a specific dollar amount by multiplying the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
$401 – 500	14%	17%	20%	22%	24%	26%	28%
$501 – 550	15%	18%	21%	24%	26%	28%	30%
$551 – 600	16%	19%	22%	25%	28%	30%	32%
$601 – 650	17%	21%	24%	27%	29%	32%	34%
$651 – 700	18%	22%	25%	28%	31%	34%	36%
$701 – 750	19%	23%	27%	30%	33%	36%	38%
$751 – 800	20%	24%	28%	31%	35%	38%	40%
$801 – 850	21%	25%	29%	33%	36%	40%	42%
$851 – 900	22%	27%	31%	34%	38%	41%	44%
$901 – 950	23%	28%	32%	36%	40%	43%	46%
$951 – 1000	24%	29%	34%	38%	41%	45%	48%
$1001 – 4000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of $4,001 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of $4,000.

Net Income defined as:

Total monthly income less		
	*(i)	Federal Income Tax
	*(ii)	State Income Tax
	(iii)	Social Security Deductions
	(iv)	Reasonable Pension Deductions
*Standard Deductions apply—use of tax tables recommended	(v)	Union Dues
	(vi)	Cost of Dependent Health Insurance Coverage

(vii) Cost of Individual or Group Health/ Hospitalization Coverage or an Amount for Actual Medical Expenses

(viii) A Child Support or Maintenance Order that is Currently Being Paid.

"Net income" does not include:

(1) the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses; or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

(i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(ii) the party demonstrates, and the court finds, that:

(A) the excess employment began after the filing of the petition for dissolution;

(B) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(C) the excess employment is voluntary and not a condition of employment;

(D) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(E) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

(b) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, and resources of the parents, including real and personal property, but excluding income from excess

employment of the obligor or obligee that meets the criteria of paragraph (a), clause (2)(ii);

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved, but recognizing that the parents now have separate households;

(4) the amount of the aid to families with dependent children grant for the child or children;

(5) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and

(6) the parents' debts as provided in paragraph (c).

(c) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

(d) Any schedule prepared under paragraph (c), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

(e) Any further departure below the guidelines that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

(f) Where payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

If there is an existing child support order or maintenance order in the nature of child support, and after that order the obligor becomes the natural or adoptive parent of another child or children, the previous support or maintenance order may be reduced to assure that all the obligor's children are treated equally.

(g) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

(h) The guidelines in this subdivision are a rebuttable presumption and shall be used in all cases when establishing or modifying child support. If the court does not deviate from the guidelines, the court shall make written findings concerning the amount of the obligor's income used as the basis for the guidelines calculation and any other significant evidentiary factors affecting the determination of child support. If the court deviates from the guidelines, the court shall make written findings giving the reasons for the deviation and shall specifically address the criteria in paragraph (b) and how the deviation serves the best interest of the child. The provisions of this paragraph apply whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court shall review stipulations presented to it for conformity to the guidelines and the court is not required to conduct a hearing, but the parties shall provide the documentation of earnings required under subdivision 5b."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Dempsey amendment and the roll was called. There were 54 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Goodno	Hufnagle	Lynch
Anderson, I.	Dille	Gruenes	Hugoson	Marsh
Bettermann	Dorn	Gutknecht	Johnson, V.	McEachern
Brown	Erhardt	Hasskamp	Knickerbocker	McPherson
Cooper	Frederick	Haukoos	Koppendrayer	Morrison
Dauner	Frerichs	Heir	Krinkie	Newinski
Davids	Girard	Henry	Limmer	Omann

Ostrom	Schafer	Stanius	Uphus	Welker
Pelowski	Schreiber	Steensma	Valento	Wenzel
Peterson	Seaberg	Sviggum	Waltman	Winter
Runbeck	Smith	Tompkins	Weaver	

Those who voted in the negative were:

Anderson, R.	Garcia	Krueger	Olson, E.	Simoneau
Anderson, R. H.	Greenfield	Lasley	Olson, K.	Skoglund
Battaglia	Hanson	Leppik	Onnen	Solberg
Bauerly	Hartle	Lieder	Orenstein	Sparby
Beard	Hausman	Lourey	Orfield	Swenson
Begich	Janezich	Macklin	Osthoff	Thompson
Bertram	Jaros	Mariani	Ozment	Trimble
Bishop	Jefferson	McGuire	Pellow	Tunheim
Blatz	Jennings	Milbert	Pugh	Vanasek
Bodahl	Johnson, A.	Munger	Reding	Vellenga
Boo	Johnson, R.	Murphy	Rest	Wagenius
Carlson	Kahn	Nelson, K.	Rice	Wejcman
Carruthers	Kalis	Nelson, S.	Rodosovich	Welle
Clark	Kelso	O'Connor	Rukavina	Spk. Long
Dawkins	Kinkel	Ogren	Sarna	
Farrell	Krambeer	Olsen, S.	Segal	

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

Dempsey moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 137, after line 7, insert:

"Sec. 11. Minnesota Statutes 1990, section 518.175, subdivision 3, is amended to read:

Subd. 3. The custodial parent shall not move the residence of the child to another state or more than 100 miles from the residence of the noncustodial parent except upon order of the court or with the consent of the noncustodial parent, when the noncustodial parent has been given visitation rights by the decree. If the purpose of the move is to interfere with visitation rights given to the noncustodial parent by the decree, or if the custodial parent fails to show that the reasons for the proposed move are compelling and that the move is in the best interests of the child, the court shall not permit the child's residence to be moved to another state or further than 100 miles from the residence of the noncustodial parent."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Dempsey amendment and the roll was called. There were 95 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Jennings	Morrison	Schreiber
Anderson, I.	Erhardt	Johnson, R.	Munger	Skoglund
Anderson, R.	Farrell	Johnson, V.	Murphy	Smith
Anderson, R. H.	Frederick	Kalis	Nelson, S.	Solberg
Battaglia	Frerichs	Kinkel	Newinski	Sparby
Beard	Girard	Knickerbocker	O'Connor	Stanius
Begich	Goodno	Koppendrayer	Olsen, S.	Steensma
Bettermann	Gruenes	Krinkie	Omann	Sviggum
Bishop	Gutknecht	Krueger	Ostrom	Thompson
Blatz	Hanson	Lasley	Ozment	Tompkins
Boo	Hartle	Leppik	Pauly	Tunheim
Brown	Hasskamp	Lieder	Pellow	Uphus
Carlson	Haukoos	Limmer	Pelowski	Valento
Cooper	Heir	Lynch	Peterson	Vanasek
Dauner	Henry	Marsh	Reding	Waltman
Davids	Hufnagle	McEachern	Rukavina	Weaver
Dawkins	Hugoson	McGuire	Runbeck	Welker
Dempsey	Janezich	McPherson	Sarna	Wenzel
Dille	Jaros	Milbert	Schafer	Winter

Those who voted in the negative were:

Bauerly	Jefferson	Nelson, K.	Pugh	Vellenga
Bertram	Johnson, A.	Ogren	Rest	Wagenius
Bodahl	Kahn	Olson, E.	Rice	Wejcman
Carruthers	Kelso	Olson, K.	Rodosovich	Welle
Clark	Krambeer	Onnen	Seaberg	Spk. Long
Garcia	Lourey	Orenstein	Segal	
Greenfield	Macklin	Orfield	Simoneau	
Hausman	Mariani	Osthoff	Swenson	

The motion prevailed and the amendment was adopted.

Dempsey moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 146, after line 13, insert:

"Sec. 20. Minnesota Statutes 1990, section 518.619, is amended by adding a subdivision to read:

Subd. 9. [MEDIATION.] Except when domestic abuse is proven, every decree of dissolution, legal separation, or custody in which there is a determination of custody or visitation, and every postjudgment or postdecree order of such a decree shall order that all issues concerning custody and visitation that may arise thereafter shall be subject to mandatory mediation. The decree or order shall appoint a mediator who shall, upon the written request of either party, commence mediation proceedings. The unjustified refusal to participate or failure to cooperate by a party is admissible evidence in any motion related to visitation or custody."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Dempsey moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 143, delete section 14

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Dempsey amendment and the roll was called. There were 68 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Johnson, A.	Nelson, S.	Skoglund
Anderson, I.	Frederick	Johnson, R.	Newinski	Smith
Anderson, R. H.	Frerichs	Johnson, V.	Olsen, S.	Sparby
Begich	Girard	Kalis	Omann	Stanius
Bettermann	Goodno	Knickerbocker	Onnen	Sviggum
Bishop	Gutknecht	Koppendrayer	Osthoff	Tompkins
Blatz	Hartle	Krinkie	Ostrom	Uphus
Boo	Hasskamp	Limmer	Ozment	Valento
Brown	Haukoos	Lynch	Pauly	Waltman
Dauner	Heir	Macklin	Pellow	Weaver
Davids	Henry	Marsh	Pelowski	Welker
Dempsey	Hufnagle	McEachern	Runbeck	Wenzel
Dille	Hugoson	McPherson	Schafer	
Dorn	Jefferson	Morrison	Seaberg	

Those who voted in the negative were:

Anderson, R.	Clark	Hausman	Krueger	Murphy
Battaglia	Cooper	Janezich	Lasley	Nelson, K.
Bauerly	Dawkins	Jaros	Leppik	Ogren
Beard	Farrell	Jennings	Lieder	Olson, E.
Bertram	Garcia	Kahn	Lourey	Olson, K.
Bodahl	Greenfield	Kelso	Mariani	Orenstein
Carlson	Gruenes	Kinkel	McGuire	Orfield
Carruthers	Hanson	Krambeer	Munger	Peterson

Pugh	Rukavina	Swenson	Vellenga	Spk. Long
Reding	Schreiber	Thompson	Wagenius	
Rest	Segal	Trimble	Wejcman	
Rice	Simoneau	Tunheim	Welle	
Rodosovich	Steensma	Vanasek	Winter	

The motion prevailed and the amendment was adopted.

Frerichs and Sviggum moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 126, delete lines 37 to 47

Page 203, delete section 14

Page 209, delete section 23

Pages 344 and 345, delete section 163

Renumber sections in sequence

A roll call was requested and properly seconded.

The question was taken on the Frerichs and Sviggum amendment and the roll was called. There were 48 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Koppendrayer	Omann	Sviggum
Anderson, R. H.	Gruenes	Krambeer	Onnen	Swenson
Bettermann	Gutknecht	Krinkie	Pauly	Tompkins
Blatz	Haukoos	Leppik	Pellow	Uphus
Boo	Heir	Limmer	Schafer	Valento
Davids	Henry	Lynch	Schreiber	Waltman
Dempsey	Hufnagle	Marsh	Seaberg	Weaver
Dille	Hugoson	McPherson	Segal	Welker
Erhardt	Johnson, V.	Morrison	Smith	
Frerichs	Knickerbocker	Olsen, S.	Stanius	

Those who voted in the negative were:

Anderson, I.	Dawkins	Jennings	Milbert	Pugh
Anderson, R.	Dorn	Johnson, A.	Munger	Reding
Battaglia	Farrell	Johnson, R.	Murphy	Rest
Bauerly	Frederick	Kahn	Nelson, S.	Rice
Beard	Garcia	Kalis	Newinski	Rodosovich
Begich	Goodno	Kelso	Ogren	Rukavina
Bertram	Greenfield	Kinkel	Olson, E.	Runbeck
Bodahl	Hanson	Krueger	Olson, K.	Sarna
Brown	Hartle	Lasley	Orenstein	Simoneau
Carlson	Hasskamp	Lieder	Orfield	Skoglund
Carruthers	Hausman	Lourey	Osthoff	Solberg
Clark	Janezich	Mariani	Ostrom	Sparby
Cooper	Jaros	McEachern	Ozment	Steensma
Dauner	Jefferson	McGuire	Peterson	Thompson

Trimble	Vanasek	Wagenius	Welle	Winter
Tunheim	Vellenga	Wejcman	Wenzel	Spk. Long

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

Heir moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 59, delete lines 17 to 22

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Heir amendment and the roll was called. There were 45 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Gruenes	Knickerbocker	Omann	Stanius
Bettermann	Gutknecht	Koppendrayer	Onnen	Sviggum
Blatz	Hartle	Krinkie	Ozment	Swenson
Boo	Haukoos	Limmer	Pauly	Tompkins
Davids	Heir	Lynch	Peterson	Uphus
Frederick	Henry	Marsh	Runbeck	Valento
Frerichs	Hufnagle	McPherson	Schafer	Waltman
Girard	Hugoson	Morrison	Seaberg	Weaver
Goodno	Johnson, V.	Newinski	Smith	Welker

Those who voted in the negative were:

Abrams	Dorn	Kinkel	Ogren	Simoneau
Anderson, I.	Erhardt	Krambeer	Olsen, S.	Skoglund
Anderson, R.	Farrell	Krueger	Olson, E.	Solberg
Battaglia	Garcia	Lasley	Orenstein	Sparby
Bauerly	Greenfield	Leppik	Orfield	Steensma
Beard	Hanson	Lieder	Osthoff	Thompson
Begich	Hasskamp	Lourey	Ostrom	Trimble
Bertram	Hausman	Macklin	Pellow	Tunheim
Bodahl	Janezich	Mariani	Pelowski	Vanasek
Brown	Jaros	McEachern	Pugh	Vellenga
Carlson	Jefferson	McGuire	Reding	Wagenius
Carruthers	Jennings	Milbert	Rest	Wejcman
Clark	Johnson, A.	Munger	Rice	Welle
Cooper	Johnson, R.	Murphy	Rodosovich	Wenzel
Dauner	Kahn	Nelson, K.	Rukavina	Winter
Dawkins	Kalis	Nelson, S.	Sarna	Spk. Long
Dempsey	Kelso	O'Connor	Segal	

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

Gutknecht moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 61, line 14, delete "1,150,000"

Page 61, after line 22, insert:

"$1,150,000 in fiscal year 1993 is for privatization of the world trade center corporation. The governor shall authorize the transfer of these funds for this purpose only after the corporation has presented to the governor, and the governor has approved, a plan and method of privatization."

Page 61, delete lines 15 to 58

Adjust totals accordingly

Renumber or reletter in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Gutknecht amendment and the roll was called. There were 42 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Koppendrayer	Osthoff	Swenson
Bettermann	Gruenes	Krinkie	Pauly	Tompkins
Blatz	Gutknecht	Limmer	Pellow	Valento
Boo	Haukoos	Lynch	Runbeck	Waltman
Davids	Heir	Macklin	Schafer	Weaver
Dempsey	Henry	McPherson	Seaberg	Welker
Dille	Hufnagle	Olsen, S.	Smith	
Erhardt	Hugoson	Omann	Stanius	
Girard	Johnson, V.	Onnen	Sviggum	

Those who voted in the negative were:

Anderson, I.	Begich	Clark	Frederick	Hasskamp
Anderson, R.	Bertram	Cooper	Frerichs	Hausman
Anderson, R. H.	Bishop	Dauner	Garcia	Janezich
Battaglia	Bodahl	Dawkins	Greenfield	Jaros
Bauerly	Brown	Dorn	Hanson	Jefferson
Beard	Carlson	Farrell	Hartle	Jennings

Johnson, A.	Marsh	Olson, K.	Rukavina	Uphus
Johnson, R.	McEachern	Orenstein	Sarna	Vanasek
Kahn	McGuire	Orfield	Schreiber	Vellenga
Kalis	Milbert	Ostrom	Segal	Wagenius
Kinkel	Munger	Ozment	Simoneau	Wejcman
Krambeer	Murphy	Pelowski	Skoglund	Welle
Krueger	Nelson, K.	Peterson	Solberg	Wenzel
Lasley	Nelson, S.	Pugh	Sparby	Winter
Leppik	Newinski	Reding	Steensma	Spk. Long
Lieder	O'Connor	Rest	Thompson	
Lourey	Ogren	Rice	Trimble	
Mariani	Olson, E.	Rodosovich	Tunheim	

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

Pellow moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 44, after line 1, insert:

"Sec. 49. Minnesota Statutes 1990, section 375.055, subdivision 1, is amended to read:

Subdivision 1. [FIXED BY COUNTY BOARD.] (a) The county commissioners in all counties, except Hennepin and Ramsey, shall receive as compensation for services rendered by them for their respective counties, annual salaries and in addition may receive per diem payments and reimbursement for necessary expenses in the duties of the office as set by resolution of the county board. The salary and schedule of per diem payments shall not be effective until January 1 of the next year. The resolution shall contain a statement of the new salary on an annual basis. The board may establish a schedule of per diem payments for service by individual county commissioners on any board, committee, or commission of county government including committees of the board, or for the performance of services by individual county commissioners when required by law. In addition to its publication in the official newspaper of the county as part of the proceedings of the meeting of the county board, the resolution setting the salary and schedule of per diem payments shall be published in one other newspaper of the county, if there is one located in a different municipality in the county than the official newspaper. The salary of a county commissioner or the schedule of per diem payments shall not change except in accordance with this subdivision.

(b) The annual salary of a county commissioner in any county, including Hennepin and Ramsey, may not exceed the salary of a legislator. Per diem payments in a year may not exceed one-third of a commissioner's salary. The provisions of this paragraph supersede any inconsistent provision of charter or other law."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Pellow amendment and the roll was called. There were 73 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Johnson, V.	Newinski	Skoglund
Anderson, R. H.	Frerichs	Kalis	O'Connor	Smith
Begich	Girard	Knickerbocker	Olsen, S.	Sparby
Bettermann	Goodno	Koppendrayer	Omann	Stanius
Bishop	Gruenes	Krambeer	Orfield	Sviggum
Blatz	Gutknecht	Krinkie	Ozment	Swenson
Boo	Hanson	Lasley	Pauly	Tompkins
Brown	Hartle	Leppik	Pellow	Uphus
Cooper	Hasskamp	Limmer	Pelowski	Valento
Davids	Haukoos	Lynch	Peterson	Vanasek
Dawkins	Heir	Macklin	Sarna	Waltman
Dempsey	Henry	Marsh	Schafer	Weaver
Dorn	Hufnagle	McEachern	Schreiber	Welker
Erhardt	Hugoson	McPherson	Seaberg	
Farrell	Jennings	Morrison	Segal	

Those who voted in the negative were:

Anderson, I.	Greenfield	Mariani	Ostrom	Tunheim
Anderson, R.	Hausman	McGuire	Pugh	Vellenga
Battaglia	Janezich	Milbert	Reding	Wagenius
Bauerly	Jaros	Munger	Rest	Wejcman
Beard	Jefferson	Murphy	Rice	Welle
Bodahl	Johnson, A.	Nelson, K.	Rodosovich	Wenzel
Carlson	Johnson, R.	Nelson, S.	Rukavina	Winter
Carruthers	Kahn	Ogren	Simoneau	Spk. Long
Clark	Kinkel	Olson, K.	Solberg	
Dauner	Krueger	Onnen	Steensma	
Dille	Lieder	Orenstein	Thompson	
Garcia	Lourey	Osthoff	Trimble	

The motion prevailed and the amendment was adopted.

Solberg moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 52, restore section 63

Page 52, line 14, delete "15" and insert "14"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Stanius moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 136, delete section 9

Page 151, after line 23, insert:

"Sec. 27. [STUDY.]

The commissioner of human services shall study and recommend to the legislature by January 15, 1993, an appropriate method of considering and calculating work-related child care expenses in determining the child support guideline amounts under section 518.551, subdivision 1. In conducting the study, the department shall consult with interested persons and groups."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Stanius amendment and the roll was called. There were 65 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Hugoson	McPherson	Runbeck
Anderson, R. H.	Frederick	Jennings	Milbert	Schafer
Bettermann	Frerichs	Johnson, V.	Newinski	Schreiber
Bishop	Girard	Knickerbocker	Olsen, S.	Seaberg
Blatz	Goodno	Koppendrayer	Olson, E.	Smith
Boo	Gruenes	Krambeer	Omann	Stanius
Brown	Gutknecht	Krinkie	Ostrom	Sviggum
Cooper	Hartle	Leppik	Ozment	Tompkins
Dauner	Hasskamp	Limmer	Pauly	Uphus
Davids	Haukoos	Lynch	Pellow	Valento
Dempsey	Heir	Macklin	Pelowski	Waltman
Dille	Henry	Marsh	Peterson	Weaver
Dorn	Hufnagle	McGuire	Pugh	Welker

Those who voted in the negative were:

Anderson, I.	Greenfield	Lieder	Osthoff	Trimble
Anderson, R.	Hanson	Lourey	Reding	Tunheim
Battaglia	Hausman	Mariani	Rest	Vanasek
Bauerly	Janezich	McEachern	Rice	Vellenga
Beard	Jaros	Munger	Rodosovich	Wagenius
Begich	Jefferson	Murphy	Rukavina	Wejcman
Bertram	Johnson, A.	Nelson, K.	Sarna	Welle
Bodahl	Johnson, R.	Nelson, S.	Segal	Wenzel
Carlson	Kahn	O'Connor	Simoneau	Winter
Carruthers	Kalis	Ogren	Skoglund	Spk. Long
Clark	Kelso	Olson, K.	Sparby	
Dawkins	Kinkel	Onnen	Steensma	
Farrell	Krueger	Orenstein	Swenson	
Garcia	Lasley	Orfield	Thompson	

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

Ozment, Limmer and Hartle moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 54, after line 35, insert:

"Sec. 66. [SALARY FREEZE.]

Notwithstanding any other law to the contrary, the salary of legislators, judges, and constitutional officers may not be increased until January, 1995."

Renumber the sections in sequence

Correct internal references

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

Carlson, Dorn, Limmer, Morrison, Brown, Haukoos and Bertram moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 6, after line 47, insert:

"Sec. 8. [16A.645] [COLLEGE SAVINGS BONDS.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The commissioner of finance, in consultation with the higher education coordinating board, shall establish a college savings bond program to encourage individuals to save for higher education costs by investing

in state general obligation bonds. The program consists of (1) issuing a portion of the state general obligation bonds in zero coupon form and in denominations and maturities that will be attractive to individuals saving to pay for higher education costs, and (2) developing a program for marketing the bonds to investors who are saving to pay for higher education costs. The commissioner of finance may designate all or a portion of each state general obligation bond sale as "college savings bonds."

Subd. 2. [DENOMINATIONS; MATURITIES.] The commissioner shall determine the appropriate denominations and maturities for college savings bonds. It is the intent of the legislature to make bonds available in as small denominations as is feasible given the costs of marketing and administering the bond issue. Minimum denominations of $1,000 must be made available. The minimum denomination bonds need not be made available for bonds of all maturities. For purposes of this section, "denomination" means the compounded maturity amount of the bond.

Subd. 3. [DIRECT SALE PERMITTED.] Notwithstanding the provisions of section 9, subdivision 5, the commissioner may sell any series of college savings bonds directly to the public or to financial institutions for prompt resale to the public upon the terms and conditions and the restrictions the commissioner prescribes. The commissioner may enter into all contracts deemed necessary or desirable to accomplish the sale in a cost effective manner, but the commissioner may contract for investment banking and banking services only after receiving competitive proposals for the services.

Subd. 4. [MARKETING PLAN.] The commissioner and the higher education coordinating board shall develop a plan for marketing college savings bonds. The marketing program must include appropriate disclosures to potential buyers, including information on the types of savers for whom long-term, tax-exempt bonds may not be appropriate investments.

The plan must include strategies to:

(1) inform parents and relatives about the availability of the bonds;

(2) take orders for the bonds;

(3) target the sale of the bonds to Minnesota residents, especially parents and relatives of children who are likely to seek higher education;

(4) ensure that purchase of the bonds by corporations will not prevent individuals and relatives of future students from buying them; and

(5) market the bonds at the lowest cost to the state.

Subd. 5. [EFFECT ON STUDENT GRANTS.] The first $25,000 of college savings bonds purchased for the benefit of a student must not be considered in determining the financial need of an applicant for the state grant program under section 136A.121.

Sec. 9. [16A.646] [ZERO COUPON BONDS.]

Subdivision 1. [AUTHORITY TO ISSUE.] When authorized by law to issue state general obligation bonds, the commissioner may issue all or part of the bonds as serial maturity bonds or as zero coupon bonds or a combination of the two.

Subd. 2. [DEFINITIONS.] For purposes of this section and section 8, the following terms have the meanings given them.

(a) "Compounded maturity" means the amount of principal and interest payable at maturity on zero coupon bonds.

(b) "Serial maturity bonds" means bonds maturing on a specified day in two or more consecutive years and bearing interest at a specified rate payable periodically to maturity or prior redemption.

(c) "Zero coupon bonds" means bonds in a stated principal amount, maturing on a specified date or dates, and bearing interest that accrues and compounds to and is payable only at maturity or upon prior redemption of the bonds.

Subd. 3. [METHOD OF SALE; PRINCIPAL AMOUNT.] Except as otherwise provided by this section or section 8, any series of bonds including zero coupon bonds must be issued and sold under the provisions of section 16A.641. The stated principal amount of zero coupon bonds must be used to determine the principal amount of bonds issued under the laws authorizing issuance of state general obligation bonds.

Subd. 4. [SINKING FUND.] The commissioner's order authorizing the issuance of zero coupon bonds shall establish a separate sinking fund account for the zero coupon bonds in the state bond fund. There is annually appropriated from the general fund to each zero coupon bond account, beginning in the year in which the zero coupon bonds are issued, an amount not less than the sum of:

(1) the total stated principal amount of the zero coupon bonds that would have matured from their date of issue to and including the second July 1 following the transfer of appropriated money, if the bonds matured serially in an equal principal amount in each year during their term and in the same month as their stated maturity date; plus

(2) the total amount of interest accruing on the stated principal amount of the bonds and on interest previously accrued, from the bonds' date of issue to and including the second July 1 following the transfer of appropriated money; less

(3) the amount in the sinking fund account for the payment of the compounded maturity amount of the bonds, including interest earnings on amounts in the account. This appropriation is in lieu of all other appropriations made with respect to zero coupon bonds. The appropriated amounts must be transferred from the general fund to the sinking fund account in the state bond fund by December 1 of each year.

Subd. 5. [SALE.] Except as otherwise provided in section 8, zero coupon bonds, or a series of bonds including zero coupon bonds, must be sold at public sale at price not less than 98 percent of their stated principal amount. No state trunk highway bond may be sold for a price of less than par and accrued interest."

Page 19, after line 23, insert:

"Sec. 32. [ADVISORY RECOMMENDATION.]

Before implementing the marketing plan for college savings bonds required in section 8, the commissioner of finance and the higher education coordinating board shall submit the plan to the chairs of the senate finance and house appropriations committees for their recommendations."

Page 19, before line 35, insert:

"(a) Sections 8 and 9 are effective the day following final enactment and apply to authorizations of state bonds under laws enacted before or after this effective date."

Renumber the remaining clauses

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Simoneau and Rice moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Pages 63 and 64, delete section 18

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Uphus, Bettermann, Jennings and Waltman offered an amendment to H. F. No. 2694, the first engrossment, as amended.

POINT OF ORDER

Welle raised a point of order pursuant to rule 3.09 that the Uphus et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Runbeck; Stanius; Pauly; Morrison; Henry; Olsen, S.; Leppik; Gutknecht; Krinkie; Welker and Schreiber offered an amendment to H. F. No. 2694, the first engrossment, as amended.

POINT OF ORDER

Welle raised a point of order pursuant to rule 3.09 that the Runbeck et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Hufnagle, Onnen, Newinski, Krinkie, Frederick and Welker offered an amendment to H. F. No. 2694, the first engrossment, as amended.

POINT OF ORDER

Welle raised a point of order pursuant to rule 3.09 that the Hufnagle et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Kahn moved to amend H. F. No. 2694, the first engrossment, as amended, as follows:

Page 22, after line 61, insert:

"During the biennium ending June 30, 1993, costs of personnel in the governor's office who are paid from state

appropriations must be paid out of appropriations to the office of the governor and lieutenant governor; they may not be charged to appropriations made to other agencies."

A roll call was requested and properly seconded.

The question was taken on the Kahn amendment and the roll was called. There were 73 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dorn	Kinkel	Orfield	Sparby
Anderson, R.	Farrell	Krueger	Osthoff	Steensma
Battaglia	Garcia	Lasley	Ostrom	Thompson
Bauerly	Greenfield	Lieder	Pelowski	Trimble
Beard	Hanson	Lourey	Peterson	Tunheim
Begich	Hasskamp	Mariani	Pugh	Vanasek
Bertram	Hausman	McGuire	Reding	Vellenga
Bodahl	Janezich	Milbert	Rest	Wagenius
Brown	Jaros	Munger	Rice	Wejcman
Carlson	Jefferson	Murphy	Rodosovich	Welle
Carruthers	Johnson, A.	Nelson, K.	Rukavina	Wenzel
Clark	Johnson, R.	Nelson, S.	Segal	Winter
Cooper	Kahn	Ogren	Simoneau	Spk. Long
Dauner	Kalis	Olson, K.	Skoglund	
Dawkins	Kelso	Orenstein	Solberg	

Those who voted in the negative were:

Abrams	Frerichs	Jennings	Newinski	Seaberg
Anderson, R. H.	Girard	Johnson, V.	Olsen, S.	Smith
Bettermann	Goodno	Knickerbocker	Olson, E.	Stanius
Bishop	Gruenes	Koppendrayer	Omann	Sviggum
Blatz	Gutknecht	Krambeer	Onnen	Swenson
Boo	Hartle	Krinkie	Ozment	Tompkins
Davids	Haukoos	Limmer	Pauly	Uphus
Dempsey	Heir	Lynch	Pellow	Valento
Dille	Henry	Macklin	Runbeck	Waltman
Erhardt	Hufnagle	Marsh	Schafer	Weaver
Frederick	Hugoson	Morrison	Schreiber	Welker

The motion prevailed and the amendment was adopted.

H. F. No. 2694, A bill for an act relating to public administration; providing for the organization, operation, and administration of programs relating to state government, higher education, infrastructure and regulatory agencies, environment and natural resources, and human resources; making grants; imposing conditions; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 1990, sections 3.736, subdivision 8; 5.14; 10A.31, subdivision 4; 15.0597, subdivision 4; 16A.45, by adding a subdivision; 16A.48, subdivision 1; 16B.85, subdivision 5;

17.03, by adding a subdivision; 18B.26, subdivision 3; 44A.0311; 60A.1701, subdivision 5; 69.031, subdivision 5; 72B.04, subdivision 10; 80A.28, subdivision 2; 82.21, subdivision 1; 82B.09, subdivision 1; 85.015, subdivision 7; 85A.04, subdivision 1; 89.035; 89.37, by adding a subdivision; 116J.9673, subdivision 4; 116P.11; 136A.121, by adding a subdivision; 136A.1354, subdivision 4; 136A.29, subdivision 9; 136C.04, by adding a subdivision; 136C.05, subdivision 5; 138.56, by adding a subdivision; 141.21, by adding a subdivision; 144.122; 144.123, subdivision 2; 144A.071, subdivision 2; 144A.073, subdivisions 3a and 5; 147.02, by adding a subdivision; 169.01, subdivision 55; 169.965, by adding a subdivision; 202A.19, subdivision 3; 204B.11, subdivision 1; 204B.27, subdivision 2; 204D.11, subdivisions 1 and 2; 237.701, subdivision 1; 240.14, subdivision 3; 245A.02, by adding a subdivision; 245A.13, subdivision 4; 252.025, subdivision 4; 254A.03, subdivision 2; 256.12, by adding a subdivision; 256.81; 256.9655; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.035; 256B.056, subdivisions 1a, 5, and by adding a subdivision; 256B.057, by adding a subdivision; 256B.0625, subdivision 9, and by adding subdivisions; 256B.064, by adding a subdivision; 256B.092, by adding a subdivision; 256B.14, subdivision 2; 256B.19, by adding a subdivision; 256B.36; 256B.41, subdivisions 1 and 2; 256B.421, subdivision 1; 256B.431, subdivisions 2i, 4, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.433, subdivisions 1, 2, and 3; 256B.48, subdivisions 1b, 3, and by adding a subdivision; 256B.495, subdivisions 1, 2, and by adding subdivisions; 256B.501, subdivision 3c, and by adding subdivisions; 256D.02, subdivision 8, and by adding subdivisions; 256D.03, by adding a subdivision; 256D.06, subdivision 5, and by adding a subdivision; 256D.35, subdivision 11; 256E.05, by adding a subdivision; 256E.14; 256H.01, subdivision 9, and by adding a subdivision; 256H.10, subdivision 1; 256I.01; 256I.02; 256I.03, subdivisions 2 and 3; 256I.04, as amended; 256I.05, subdivisions 1, 3, 6, 8, 9, and by adding a subdivision; 256I.06; 257.67, subdivision 3; 270.063; 270.71; 298.221; 299E.01, subdivision 1; 340A.301, subdivision 6; 340A.302, subdivision 3; 340A.315, subdivision 1; 340A.317, subdivision 2; 340A.408, subdivision 4; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.39; 345.42, subdivision 3; 352.04, subdivisions 2 and 3; 353.27, subdivision 13; 353.65, subdivision 7; 356.65, subdivision 1; 357.021, subdivision 1a; 357.022; 357.18, by adding a subdivision; 359.01, subdivision 3; 363.071, by adding a subdivision; 363.14, subdivision 3; 375.055, subdivision 1; 466.06; 490.123, by adding a subdivision; 514.67; 518.14; 518.171, subdivisions 1, 3, 4, and 6; 518.175, subdivisions 1 and 3; 518.54, subdivision 4; 518.551, subdivisions 1, 7, 10, and by adding a subdivision; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 518.619, by adding a subdivision; 548.091, subdivision 1a; 588.20; 609.131, by adding a subdivision; 609.375, subdivisions 1 and 2; 609.5315, by adding a subdivision; 611.27, by adding subdivisions; and 626.861, subdivision 3; Minnesota Statutes 1991 Supplement, sections 16A.45, subdivision 1; 16A.723, subdivision 2; 17.63; 28A.08; 41A.09, subdivision 3; 43A.316, subdivision 9; 60A.14, subdivision 1; 84.0855; 89.37, subdivision 4; 121.936, subdivision 1; 135A.03, subdivisions 1a, 3a, and 7; 136A.121, subdivisions 2 and 6; 136A.1353, subdivision 4; 144.50, subdivision 6; 144A.071, subdivisions 3 and 3a; 144A.31, subdivision 2a; 148.91, subdivision 3; 148.921, subdivision 2;

148.925, subdivisions 1, 2, and by adding a subdivision; 168.129, subdivisions 1 and 2; 214.101, subdivision 1; 240.13, subdivisions 5 and 6; 240.15, subdivision 6; 240.18, by adding a subdivision; 245A.03, subdivision 2; 252.28, subdivision 1; 252.46, subdivision 3; 252.50, subdivision 2; 254B.04, subdivision 1; 256.031, subdivision 3; 256.033, subdivisions 1, 2, 3, and 5; 256.034, subdivision 3; 256.035, subdivision 1; 256.0361, subdivision 2; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 2, 20, 21, and by adding a subdivision; 256.9751, subdivisions 1 and 6; 256.98, subdivision 8; 256B.0625, subdivision 13; 256B.0627, subdivision 5; 256B.064, subdivision 2; 256B.0911, subdivisions 3, 8, and by adding a subdivision; 256B.0913, subdivisions 4, 5, 8, 11, 12, and 14; 256B.0915, subdivision 3, and by adding subdivisions; 256B.0917, subdivisions 2, 3, 4, 5, 6, 7, 8, and 11; 256B.092, subdivision 4; 256B.431, subdivisions 2l and 3f; 256B.49, subdivision 4; 256B.74, subdivisions 1 and 3; 256D.03, subdivision 4; 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 256D.10; 256D.101, subdivision 3; 256H.03, subdivisions 4 and 6; 256H.05, subdivision 1b, and by adding a subdivision; 256I.05, subdivisions 1a, 1b, and 10; 268.914, subdivision 2; 340A.311; 340A.316; 340A.504, subdivision 3; 349A.10, subdivision 3; 357.021, subdivision 2; 508.82; 508A.82; 518.551, subdivisions 5 and 12; 518.64, subdivisions 1, 2, and 5; 611.27, subdivision 7; and 626.861, subdivisions 1 and 4; Laws 1991, chapters 233, sections 2, subdivision 2; and 3; 254, article 1, sections 7, subdivision 5; and 14, subdivision 19; and 356, articles 1, section 5, subdivision 4; 2, section 6, subdivision 3; and 6, section 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 4A; 16A; 16B; 44A; 84; 136C; 137; 144; 144A; 241; 244; 245; 246; 252; 256; 256B; 256D; 256I; 290; and 518; repealing Minnesota Statutes 1990, sections 41A.051; 84.0885; 84A.51, subdivisions 3 and 4; 89.036; 136A.143; 136C.13, subdivision 2; 141.21, subdivision 2; 144A.15, subdivision 6; 211A.04, subdivision 2; 245.0311; 245.0312; 246.14; 253B.14; 256B.056, subdivision 3a; 256B.495, subdivision 3; 256I.05, subdivision 7; 270.185; and 609.37; Minnesota Statutes 1991 Supplement, sections 97A.485, subdivision 1a; 136E.01; 136E.02; 136E.03; 136E.04; 136E.05; 256.9657, subdivision 5; 256.969, subdivision 7; 256B.74, subdivisions 8 and 9; and 256I.05, subdivision 7a; Laws 1991, chapter 292, article 4, section 77.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Bertram	Carlson	Cooper	Dorn
Battaglia	Bodahl	Carruthers	Dauner	Farrell
Bauerly	Brown	Clark	Dawkins	Garcia

Greenfield	Kelso	Nelson, S.	Rice	Tunheim
Hanson	Kinkel	Ogren	Rodosovich	Vanasek
Hasskamp	Krueger	Olson, E.	Sarna	Vellenga
Hausman	Lasley	Orenstein	Segal	Wagenius
Jaros	Lieder	Orfield	Simoneau	Wejcman
Jefferson	Lourey	Ostrom	Skoglund	Welle
Jennings	Mariani	Pelowski	Solberg	Wenzel
Johnson, A.	McGuire	Peterson	Sparby	Winter
Johnson, R.	Munger	Pugh	Steensma	Spk. Long
Kahn	Murphy	Reding	Thompson	
Kalis	Nelson, K.	Rest	Trimble	

Those who voted in the negative were:

Abrams	Frerichs	Knickerbocker	Newinski	Schreiber
Anderson, I.	Girard	Koppendrayer	O'Connor	Seaberg
Anderson, R. H.	Goodno	Krambeer	Olsen, S.	Smith
Beard	Gruenes	Krinkie	Olson, K.	Stanius
Begich	Gutknecht	Leppik	Omann	Sviggum
Bettermann	Hartle	Limmer	Onnen	Swenson
Blatz	Haukoos	Lynch	Osthoff	Tompkins
Boo	Heir	Macklin	Ozment	Uphus
Davids	Henry	Marsh	Pauly	Valento
Dempsey	Hufnagle	McEachern	Pellow	Waltman
Dille	Hugoson	McPherson	Rukavina	Weaver
Erhardt	Janezich	Milbert	Runbeck	Welker
Frederick	Johnson, V.	Morrison	Schafer	

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

SPECIAL ORDERS

Welle moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Welle moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Stanius moved that the name of Krambeer be stricken as an author on H. F. No. 1845. The motion prevailed.

Wejcman moved that the name of Rodosovich be added as an author on H. F. No. 2193. The motion prevailed.

Brown moved that the name of Winter be shown as chief author on H. F. No. 2633. The motion prevailed.

Leppik moved that H. F. No. 1357 be returned to its author. The motion prevailed.

Waltman moved that H. F. No. 1813 be returned to its author. The motion prevailed.

McPherson moved that H. F. No. 2823 be returned to its author. The motion prevailed.

ADJOURNMENT

Welle moved that when the House adjourns today it adjourn until 1:00 p.m., Tuesday, April 7, 1992. The motion prevailed.

Welle moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Tuesday, April 7, 1992.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

NINETY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 7, 1992

The House of Representatives convened at 1:00 p.m. and was called to order by Dee Long, Speaker of the House.

Prayer was offered by the Reverend Vivian Jones, Plymouth Congregational Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

Abrams	Frederick	Kelso	Ogren	Skoglund
Anderson, I.	Frerichs	Kinkel	Olson, E.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krambeer	Onnen	Stanius
Bauerly	Greenfield	Krinkie	Orenstein	Steensma
Beard	Gruenes	Krueger	Orfield	Sviggum
Begich	Gutknecht	Lasley	Osthoff	Swenson
Bertram	Hanson	Leppik	Ostrom	Thompson
Bettermann	Hartle	Lieder	Ozment	Tompkins
Bishop	Hasskamp	Limmer	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vanasek
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcman
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Schreiber	Winter
Dorn	Johnson, V.	Nelson, S.	Seaberg	Spk. Long
Erhardt	Kahn	Newinski	Segal	
Farrell	Kalis	O'Connor	Simoneau	

A quorum was present.

Olsen, S., was excused until 1:30 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Peterson moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 304 and H. F. No. 487, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Thompson moved that the rules be so far suspended that S. F. No. 304 be substituted for H. F. No. 487 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 522 and H. F. No. 905, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Reding moved that the rules be so far suspended that S. F. No. 522 be substituted for H. F. No. 905 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 651 and H. F. No. 802, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Orenstein moved that the rules be so far suspended that S. F. No. 651 be substituted for H. F. No. 802 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1230 and H. F. No. 1334, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Reding moved that the rules be so far suspended that S. F. No.

1230 be substituted for H. F. No. 1334 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1590 and H. F. No. 2360, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Tunheim moved that the rules be so far suspended that S. F. No. 1590 be substituted for H. F. No. 2360 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1856 and H. F. No. 1938, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pugh moved that the rules be so far suspended that S. F. No. 1856 be substituted for H. F. No. 1938 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1993 and H. F. No. 2219, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Johnson, A., moved that the rules be so far suspended that S. F. No. 1993 be substituted for H. F. No. 2219 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2017 and H. F. No. 1943, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

O'Connor moved that the rules be so far suspended that S. F. No. 2017 be substituted for H. F. No. 1943 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2137 and H. F. No. 2696, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 2137 be substituted for H. F. No. 2696 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2194 and H. F. No. 2404, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pugh moved that the rules be so far suspended that S. F. No. 2194 be substituted for H. F. No. 2404 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2236 and H. F. No. 2343, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rest moved that the rules be so far suspended that S. F. No. 2236 be substituted for H. F. No. 2343 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2510 and H. F. No. 2510, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that S. F. No. 2510 be substituted for H. F. No. 2510 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2556 and H. F. No. 2318, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lynch moved that the rules be so far suspended that S. F. No. 2556 be substituted for H. F. No. 2318 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2599 and H. F. No. 2754, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that S. F. No. 2599 be substituted for H. F. No. 2754 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 31, 1992

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

Dear Speaker Long:

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

H. F. No. 1763, relating to state lands; authorizing the conveyance or release of a state easement in Faribault.

Warmest regards,

ARNE H. CARLSON
Governor

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

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1992 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	*H.F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 1992*	*Date Filed 1992*
2385		378	6:00 p.m. March 31	April 1
1666		380	6:02 p.m. March 31	April 1
764		382	6:05 p.m. March 31	April 1
1633		384	6:07 p.m. March 31	April 1
	1763	387	6:10 p.m. March 31	April 1
2307		388	6:12 p.m. March 31	April 1
2337		391	5:58 p.m. March 31	April 1

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 1, 1992

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

Dear Speaker Long:

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

H. F. No. 1567, relating to retirement; Falcon Heights volunteer

firefighters relief associations; authorizing full vesting with five years of service.

H. F. No. 1744, relating to retirement; public employees retirement association; providing entitlement for optional annuities to certain surviving spouses of certain deceased disabilitants; mandating a study of coordinated program survivorship benefit gaps.

H. F. No. 1013, repealing certain pipeline approval authority of the commissioner of natural resources.

H. F. No. 2744, relating to the department of employee relations; modifying expense account terms and uses.

H. F. No. 2397, relating to pipelines; regulating liquefied natural gas facilities.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 2, 1992

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

Dear Speaker Long:

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

H. F. No. 980, relating to the legislature; authorizing joint legislative commissions to issue subpoenas.

H. F. No. 2254, relating to occupations and professions; clarifying membership requirements for the board of pharmacy.

H. F. No. 2375, relating to metropolitan government; providing a name for the transportation accessibility advisory committee.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 3, 1992

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

Dear Speaker Long:

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

H. F. No. 2769, relating to retirement; providing for the calculation of pension increases for the Virginia police relief association.

H. F. No. 2225, relating to retirement; St. Paul police relief association; authorizing retirees and surviving spouses to participate in relief association board elections and other governance issues.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 3, 1992

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

Dear Speaker Long:

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

H. F. No. 2341, relating to transportation; authorizing nonoperating assistance for public transit service.

H. F. No. 2046, relating to commerce; motor vehicle lienholders; requiring notice to certain secured creditors before the vehicle is sold.

Warmest regards,

ARNE H. CARLSON
Governor

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

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1992 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	*H.F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 1992*	*Date Filed 1992*
	1567	372	5:12 p.m. April 1	April 2
	1744	373	5:10 p.m. April 1	April 2
	1013	374	5:08 p.m. April 1	April 2
	2744	375	5:02 p.m. April 1	April 2
720		376	4:58 p.m. April 1	April 2
1919		377	4:52 p.m. April 1	April 2
1689		379	4:50 p.m. April 1	April 2
1300		381	4:49 p.m. April 1	April 2
2210		383	4:42 p.m. April 1	April 2
	980	385	11:54 a.m. April 2	April 2
	2397	386	4:07 p.m. April 1	April 2

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

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

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1992 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	*H.F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 1992*	*Date Filed 1992*
	2254	389	2:12 p.m. April 2	April 2
	2375	390	2:17 p.m. April 2	April 2
	2769	392	3:52 p.m. April 3	April 6
	2225	393	4:02 p.m. April 3	April 6
	2341	394	2:44 p.m. April 3	April 6
	2046	395	3:00 p.m. April 3	April 6
1767		396	2:58 p.m. April 3	April 6
2069		397	2:56 p.m. April 3	April 6
1991		398	3:56 p.m. April 3	April 6
2310		399	2:54 p.m. April 3	April 6
1900		400	2:50 p.m. April 3	April 6
1298		401	2:47 p.m. April 3	April 6
2208		402	2:45 p.m. April 3	April 6
2182		403	4:06 p.m. April 3	April 6
2308		404	2:42 p.m. April 3	April 6

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 304, 522, 651, 1230, 1590, 1856, 1993, 2017, 2137, 2194, 2236, 2510, 2556 and 2599 were read for the second time.

NTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Runbeck, Tompkins and Bettermann introduced:

H. F. No. 3036, A bill for an act relating to taxation; property tax relief; changing the funding and payment of certain aids to local governments; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 16A.711, subdivisions 1, 3, and 4; and 477A.014, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Laws 1991, chapter 291, article 2, section 3.

The bill was read for the first time and referred to the Committee on Taxes.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1350, A bill for an act relating to retirement; major and statewide retirement plans; crediting service and salary when back pay is awarded in the event of a wrongful discharge; proposing coding for new law in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 1991 Supplement, section 353.27, subdivision 5a.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jaros moved that the House concur in the Senate amendments to H. F. No. 1350 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1350, A bill for an act relating to retirement; major and statewide retirement plans; crediting service and salary when back pay is awarded in the event of a wrongful discharge; proposing coding for new law in Minnesota Statutes, chapter 356; repealing

Minnesota Statutes 1991 Supplement, section 353.27, subdivision 5a.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Kinkel	Ogren	Smith
Anderson, I.	Girard	Knickerbocker	Olson, E.	Solberg
Anderson, R. H.	Goodno	Koppendrayer	Olson, K.	Sparby
Battaglia	Greenfield	Krambeer	Onnen	Stanius
Bauerly	Gruenes	Krinkie	Orenstein	Steensma
Beard	Gutknecht	Krueger	Orfield	Sviggum
Begich	Hanson	Lasley	Osthoff	Swenson
Bertram	Hartle	Leppik	Ostrom	Thompson
Bettermann	Hasskamp	Lieder	Ozment	Tompkins
Blatz	Haukoos	Limmer	Pauly	Trimble
Bodahl	Hausman	Lourey	Pellow	Tunheim
Boo	Heir	Lynch	Pelowski	Uphus
Brown	Henry	Macklin	Peterson	Valento
Carlson	Hufnagle	Mariani	Pugh	Vanasek
Carruthers	Hugoson	Marsh	Reding	Vellenga
Clark	Jacobs	McEachern	Rest	Wagenius
Cooper	Janezich	McGuire	Rice	Waltman
Dauner	Jaros	McPherson	Rodosovich	Weaver
Davids	Jefferson	Milbert	Rukavina	Wejcman
Dawkins	Jennings	Morrison	Runbeck	Welker
Dille	Johnson, A.	Munger	Sarna	Welle
Dorn	Johnson, R.	Murphy	Schafer	Wenzel
Erhardt	Johnson, V.	Nelson, K.	Seaberg	Winter
Farrell	Kahn	Nelson, S.	Segal	Spk. Long
Frederick	Kalis	Newinski	Simoneau	
Frerichs	Kelso	O'Connor	Skoglund	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1978, A bill for an act relating to health; regulating ionizing radiation; delaying the effective date of certain rules; requiring their review by the commissioner of health.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Cooper moved that the House concur in the Senate amendments to

H. F. No. 1978 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1978, A bill for an act relating to health; delaying the effective date of rules regulating ionizing radiation; requiring a study.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 126 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Onnen	Sparby
Anderson, I.	Frerichs	Koppendrayer	Orenstein	Stanius
Anderson, R.	Garcia	Krinkie	Orfield	Steensma
Anderson, R. H.	Girard	Krueger	Osthoff	Sviggum
Battaglia	Goodno	Lasley	Ostrom	Swenson
Bauerly	Gruenes	Leppik	Ozment	Thompson
Beard	Gutknecht	Lieder	Pauly	Tompkins
Begich	Hanson	Limmer	Pellow	Trimble
Bertram	Hartle	Lourey	Pelowski	Tunheim
Bettermann	Hasskamp	Lynch	Peterson	Uphus
Blatz	Haukoos	Macklin	Pugh	Valento
Bodahl	Hausman	Mariani	Reding	Vanasek
Boo	Henry	McEachern	Rest	Vellenga
Brown	Hugoson	McGuire	Rice	Wagenius
Carlson	Jacobs	McPherson	Rodosovich	Waltman
Carruthers	Janezich	Milbert	Rukavina	Weaver
Clark	Jaros	Morrison	Runbeck	Wejcman
Cooper	Jefferson	Munger	Sarna	Welker
Dauner	Jennings	Murphy	Schafer	Welle
Davids	Johnson, A.	Nelson, K.	Schreiber	Wenzel
Dawkins	Johnson, R.	Nelson, S.	Seaberg	Winter
Dempsey	Johnson, V.	Newinski	Segal	Spk. Long
Dille	Kahn	O'Connor	Simoneau	
Dorn	Kalis	Olson, E.	Skoglund	
Erhardt	Kelso	Olson, K.	Smith	
Farrell	Kinkel	Omann	Solberg	

Those who voted in the negative were:

Heir	Hufnagle	Krambeer	Marsh

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1889, A bill for an act relating to employment; modifying provisions related to access to employee personnel records; amend-

ing Minnesota Statutes 1990, sections 181.961, subdivision 2; and 181.962, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Rukavina moved that the House concur in the Senate amendments to H. F. No. 1889 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1889, A bill for an act relating to employment; modifying provisions related to access to employee personnel records; amending Minnesota Statutes 1990, sections 181.961, subdivision 2; and 181.962, subdivision 1.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, K.	Solberg
Anderson, I.	Garcia	Knickerbocker	Omann	Sparby
Anderson, R.	Girard	Koppendrayer	Onnen	Stanius
Anderson, R. H.	Goodno	Krambeer	Orenstein	Steensma
Battaglia	Greenfield	Krinkie	Orfield	Sviggum
Bauerly	Gruenes	Krueger	Osthoff	Swenson
Beard	Gutknecht	Lasley	Ostrom	Thompson
Begich	Hanson	Leppik	Ozment	Tompkins
Bertram	Hartle	Lieder	Pauly	Trimble
Bettermann	Hasskamp	Limmer	Pellow	Tunheim
Blatz	Haukoos	Lourey	Pelowski	Uphus
Bodahl	Hausman	Lynch	Peterson	Valento
Boo	Heir	Macklin	Pugh	Vanasek
Brown	Henry	Mariani	Reding	Vellenga
Carlson	Hufnagle	Marsh	Rest	Wagenius
Carruthers	Hugoson	McEachern	Rice	Waltman
Clark	Jacobs	McGuire	Rodosovich	Weaver
Cooper	Janezich	McPherson	Rukavina	Wejcman
Dauner	Jaros	Milbert	Runbeck	Welker
Davids	Jefferson	Morrison	Sarna	Welle
Dawkins	Jennings	Munger	Schafer	Wenzel
Dempsey	Johnson, A.	Murphy	Schreiber	Winter
Dille	Johnson, R.	Nelson, K.	Seaberg	Spk. Long
Dorn	Johnson, V.	Nelson, S.	Segal	
Erhardt	Kahn	Newinski	Simoneau	
Farrell	Kalis	O'Connor	Skoglund	
Frederick	Kelso	Olson, E.	Smith	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2438, A bill for an act relating to retirement; individual retirement account plan; expanding plan coverage to include certain higher education employees; amending Minnesota Statutes 1990, sections 136.88, subdivision 1; 352C.033; 352D.02, subdivisions 1 and 1a; 352D.03; 354B.01, subdivision 2, and by adding subdivisions; 354B.015; 354B.02, subdivisions 1, 4, and by adding subdivisions; 354B.03, by adding a subdivision; 354B.04, subdivision 1; and 354B.05, subdivision 1; Minnesota Statutes 1991 Supplement, section 354B.04, subdivision 2; repealing Laws 1986, chapter 458, section 36.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Reding moved that the House concur in the Senate amendments to H. F. No. 2438 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2438, A bill for an act relating to retirement; individual retirement account plan; expanding plan coverage to include certain higher education employees; changing the formula for compounding interest on deferred annuities of constitutional officers or commissioners; amending Minnesota Statutes 1990, sections 136.88, subdivision 1; 352C.033; 352D.02, subdivisions 1 and 1a; 352D.03; 354B.01, subdivision 2, and by adding subdivisions; 354B.015; 354B.02, subdivisions 1, 4, and by adding subdivisions; 354B.03, by adding a subdivision; 354B.04, subdivision 1; and 354B.05, subdivision 1; Minnesota Statutes 1991 Supplement, section 354B.04, subdivision 2; repealing Laws 1986, chapter 458, section 36.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Begich	Carlson	Dempsey	Garcia
Anderson, I.	Bertram	Carruthers	Dille	Girard
Anderson, R.	Bettermann	Clark	Dorn	Goodno
Anderson, R. H.	Blatz	Cooper	Erhardt	Greenfield
Battaglia	Bodahl	Dauner	Farrell	Gruenes
Bauerly	Boo	Davids	Frederick	Gutknecht
Beard	Brown	Dawkins	Frerichs	Hanson

Hartle	Knickerbocker	Murphy	Pugh	Swenson
Hasskamp	Koppendrayer	Nelson, K.	Reding	Thompson
Haukoos	Krambeer	Nelson, S.	Rest	Tompkins
Hausman	Krinkie	Newinski	Rice	Trimble
Heir	Krueger	O'Connor	Rodosovich	Tunheim
Henry	Lasley	Ogren	Rukavina	Uphus
Hufnagle	Leppik	Olsen, S.	Runbeck	Valento
Hugoson	Lieder	Olson, E.	Sarna	Vanasek
Jacobs	Limmer	Olson, K.	Schafer	Vellenga
Janezich	Lourey	Omann	Schreiber	Wagenius
Jaros	Lynch	Onnen	Seaberg	Waltman
Jefferson	Macklin	Orenstein	Segal	Weaver
Jennings	Mariani	Orfield	Simoneau	Wejcman
Johnson, A.	Marsh	Osthoff	Skoglund	Welker
Johnson, R.	McEachern	Ostrom	Smith	Welle
Johnson, V.	McGuire	Ozment	Solberg	Wenzel
Kahn	McPherson	Pauly	Sparby	Winter
Kalis	Milbert	Pellow	Stanius	Spk. Long
Kelso	Morrison	Pelowski	Steensma	
Kinkel	Munger	Peterson	Sviggum	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2031, A bill for an act relating to taxation; property; providing for the valuation and assessment of vacant platted property; excluding certain unimproved land sales from sales ratio studies; amending Minnesota Statutes 1990, section 124.2131, subdivision 1; Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Olson, E., moved that the House refuse to concur in the Senate amendments to H. F. No. 2031, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2608, A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with

the state treasurer; providing rulemaking authority; proposing coding for new law in Minnesota Statutes, chapter 325G.

PATRICK E. FLAHAVEN, Secretary of the Senate

O'Connor moved that the House refuse to concur in the Senate amendments to H. F. No. 2608, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Welle moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2042, A bill for an act relating to education; abolishing the higher education board; amending Minnesota Statutes 1991 Supplement, sections 15A.081, subdivision 7b; and 179A.10, subdivision 2; repealing Minnesota Statutes 1991 Supplement, sections 136E.01; 136E.02; 136E.03; 136E.04; and 136E.05; and Laws 1991, chapter 356, article 9, sections 8, 9, 10, 11, 12, 13, and 14.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2768, A bill for an act relating to education; transferring functions of the higher education coordinating board; changing the membership, terms, and functions of the higher education board; allowing the merger of certain technical colleges by agreement; amending Minnesota Statutes 1991 Supplement, sections 15A.081, subdivision 7b; 136E.01; 136E.02; 179A.10, subdivision 2; Laws 1991, chapter 356, article 9, section 8, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 136E; repealing Minnesota Statutes 1990, sections 136A.01; 136A.02; 136A.03; Minnesota Statutes 1991 Supplement, sections 135A.061; 135A.50; 136A.04; 136E.03; 136E.04; 136E.05; Laws 1991, chapter 356, article 9, section 8, subdivisions 3 to 9; and sections 9 to 16.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 15A.081, subdivision 7b, is amended to read:

Subd. 7b. [HIGHER EDUCATION OFFICERS.] The higher education board, state university board, the state board for community colleges, and the state board of technical colleges~~, and the higher education coordinating board~~ shall set the salary rates for, respectively, the ~~chancellor~~ director of the higher education ~~system~~ board, the chancellor of the state universities, the chancellor of the community colleges, and the chancellor of ~~vocational~~ the technical ~~education, and the executive director of the higher education coordinating board~~ colleges. The respective board shall submit the proposed salary increase to the legislative commission on employee relations for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2. Salary rates for the positions specified in this subdivision may not exceed 95 percent of the salary of the governor under section 15A.082, subdivision 3. In deciding whether to recommend a salary increase, the governing board shall consider the performance of the chancellor or director, including the chancellor's or director's progress toward attaining affirmative action goals.

Sec. 2. Minnesota Statutes 1991 Supplement, section 136E.01, is amended to read:

136E.01 [HIGHER EDUCATION BOARD.]

Subdivision 1. [ESTABLISHMENT.] The permanent higher education board is established. The board must be in operation by July 1, 1994.

Subd. 2. [MEMBERSHIP.] The higher education board~~, referred to in sections 136E.01 to 136E.05 as "the board,"~~ consists of ~~13~~ 12 members as follows: the president of the University of Minnesota; the chancellors of the state university, community college, and technical college systems; the president of the private college council; and seven citizen members appointed by the governor with the advice and consent of the senate~~. At least one member of the board must be a resident of each congressional district.~~, including one member who must be a student or have graduated from an institution governed by the board within one year of the date of appointment. ~~The remaining members must be appointed to represent the state at large.~~

Subd. ~~2.~~ 3. [TERM; COMPENSATION; REMOVAL; VACANCIES.] The compensation, removal of members, and filling of vacancies for the citizen members on the board are as provided in section 15.0575. Members are appointed for a term of six years, except that the term of the student member is two years. Terms end on June 30.

Subd. ~~3.~~ 4. [BOARD ADMINISTRATION.] The board shall elect a chair and other officers as it may desire. It shall determine its meeting dates and places.

Subd. 5. [ADVISORY GROUPS.] The board may appoint advisory task forces to assist it in the study of higher education within the state or in the administration of federal programs. The task forces expire and the terms, compensation, and removal of members are as provided in section 15.059. The board must, if requested by the student advisory council, have at least one student from an affected educational system on a council, committee, commission, study group, or task force it creates. The student member or members shall be appointed by the student advisory council.

Subd. 6. [REGIONAL ADVISORY COUNCILS.] To improve cooperation, coordination, and educational delivery throughout the state, the board shall determine a regional structure for the state, consisting of seven to ten regions. The board may use an existing regional configuration or design its own, but each region must include at least one public baccalaureate campus. The board shall appoint a regional advisory council for each designated region. The councils shall include citizen and student members and at least one campus president or chancellor for each system that has a campus in the region. The advisory councils shall make recommendations to the board and the system governing boards to coordinate and improve the efficiency of the delivery of post-secondary education within their respective regions.

Subd. 7. [STUDENT ADVISORY COUNCIL.] (a) A student advisory council to the board is established. The members of the council shall include the chair of the University of Minnesota university student senate, the state chair of the Minnesota state university

student association, the president of the Minnesota community college student association, the president of the Minnesota technical college student association, the president of the Minnesota association of private college students, and a student who is enrolled in a private vocational school registered under sections 136A.61 to 136A.71, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a designee.

(b) The advisory council shall:

(1) bring to the attention of the board any matter that the council believes needs the attention of the board;

(2) make recommendations to the board that the council considers appropriate;

(3) review and comment on proposals and other matters before the board;

(4) appoint student members to board advisory groups as provided in subdivision 5;

(5) provide any reasonable assistance to the board; and

(6) select one of its members to serve as chair.

(c) The board shall inform the council of all matters under consideration by the board and shall refer all proposals to the council before the board acts or sends the proposals to the governor or the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

(d) The student advisory council shall report to the board quarterly and at other times that the council considers desirable.

(e) The council shall determine its meeting time, but the council shall also meet with the director of the board within 30 days after the director's request for a council meeting.

(f) The council expires June 30, 1993.

Sec. 3. Minnesota Statutes 1991 Supplement, section 136E.02, is amended to read:

136E.02 [HIGHER EDUCATION BOARD CANDIDATE ADVISORY COUNCIL.]

Subdivision 1. [PURPOSE.] A higher education board candidate advisory council shall assist the governor in determining criteria for,

and identifying and recruiting qualified candidates for, ~~membership~~ the citizens members on the higher education board.

Subd. 2. [MEMBERSHIP.] The advisory council consists of ~~24~~ 12 members. ~~Twelve~~ Six members are appointed by the subcommittee on committees of the committee on rules and administration of the senate. ~~Twelve~~ Six members are appointed by the speaker of the house of representatives. No more than one-third of the members appointed by each appointing authority may be current or former legislators. No more than two-thirds of the members appointed by each appointing authority may belong to the same political party; however, political activity or affiliation is not required for the appointment of a member. Geographical representation must be taken into consideration when making appointments. Section 15.0575 governs the advisory council, except that the members must be appointed to six-year terms.

Subd. 3. [DUTIES.] The advisory council shall:

(1) develop a statement of the selection criteria to be applied and a description of the responsibilities and duties of a citizen member of the higher education board and shall distribute this to potential candidates; and

(2) for each citizen position on the board, identify and recruit qualified candidates for the board, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board.

Subd. 4. [RECOMMENDATIONS.] The advisory council shall recommend at least two and not more than four candidates for each seat. By ~~January 2~~ June 1 of each even-numbered year, the advisory council shall submit its recommendations to the governor. The governor is not bound by these recommendations.

Subd. 5. [SUPPORT SERVICES.] The legislative coordinating commission shall provide administrative and support services for the advisory council.

Sec. 4. [136E.06] [EXECUTIVE OFFICERS; EMPLOYEES.]

The higher education board may appoint a director as its principal executive officer, and other officers and employees as necessary to carry out its duties. The director shall possess powers and perform duties as delegated by the board and shall serve in the unclassified service of the state civil service. The salary of the director shall be established by the board. The director shall be a person qualified by training or experience in the field of higher education. The board may also appoint other officers and professional employees who shall serve in the unclassified service of the state civil service and fix

salaries which shall be commensurate with salaries in the classified service. All other employees shall be in the classified civil service.

An officer or professional employee in the unclassified service as provided in this section is a person who has studied higher education or a related field at the graduate level or has similar experience and who is qualified for a career in some aspect of higher education and for activities in keeping with the planning and administrative responsibilities of the board and who is appointed to assume responsibility for administration of educational programs or research in matters of higher education.

Sec. 5. [136E.07] [POWERS AND DUTIES OF THE BOARD.]

Subdivision 1. [GENERAL.] The board shall possess the powers and duties necessary to provide policy leadership and coordination for post-secondary systems and institutions in the state. The board shall prescribe policies, procedures, and rules necessary to administer the programs under its supervision.

Subd. 2. [PLANNING; MISSIONS.] (a) The board shall develop and submit to the governor and the legislature a master plan for Minnesota post-secondary education. After consultation with the governing boards and as a part of the master planning process, the board shall have the authority to:

(1) establish a policy-based and continuing systemwide planning, programming, and coordination process to make the best use of available resources and to sustain statewide goals of high quality, access, diversity, efficiency, and accountability;

(2) determine the role and mission of each public system of higher education, within statutory guidelines;

(3) determine the role and mission of each public institution of higher education;

(4) establish enrollment policies, consistent with roles and missions, at public institutions of higher education; and

(5) consider and propose changes to the legislature not less than every six years on the need for and advisability of changes in the master plan.

(b) The board shall develop criteria for determining if a campus, center, or site should be consolidated, or if its status should be redesignated. After consultation with the appropriate governing board, the board shall make recommendations to the legislature for consolidation or redesignation of campuses, centers, and sites which meet the criteria.

(c) The board shall develop, after consultation with the governing boards, cooperative programs among public post-secondary institutions.

(d) The board shall report annually to the governor and the legislature on institutional and governing board performance and responsiveness to statewide objectives set by the board in its master plan.

Subd. 3. [PROGRAM APPROVAL, DISAPPROVAL, AND REVIEW.] (a) The board shall review and approve or disapprove, consistent with the institutional role and mission and statewide educational needs, the proposal for any new program before its establishment in any public or private post-secondary institution. No institution shall establish a new program, change an existing program, or offer a program at a site other than that for which it was approved originally without first receiving the approval of the board.

(b) The board shall establish, after consultation with the governing boards, policies and criteria for the discontinuance of academic or vocational programs.

(c) The board may direct the governing boards of the state universities, community colleges, and technical colleges, and request the board of regents or the governing board of a private post-secondary institution to discontinue an academic or vocational degree program offering.

(d) The governing board of a public institution of higher education directed to discontinue an academic or vocational degree program under this subdivision shall have not more than four years to discontinue graduate and baccalaureate programs and not more than two years to discontinue associate programs following the board's directive.

(e) If the board directs the governing board of an institution to discontinue an academic or vocational degree program, and the governing board refuses to do so, the board may recommend to the legislature that the governing board remit to the general fund any money appropriated for the program.

(f) The board shall create the procedures and a schedule for periodic program reviews and evaluation of each academic program at each institution consistent with the role and mission of each institution. The plan shall include, but shall not be limited to, the procedures for using internal and external evaluators, the sequence of the reviews, and the anticipated use of the evaluations.

(g) Before the discontinuance of a program, the governing boards of public institutions are directed to develop appropriate early

retirement, professional retraining, and other programs to assist faculty members who may be displaced as a result of discontinued programs.

(h) The board shall ensure that each system has a process for the phaseout of programs.

Subd. 4. [SERVICE AREAS AND OFF-CAMPUS SITES.] After consultation with the governing boards, the board shall define the geographic and programmatic service areas for each public institution of higher education. No institution shall provide instruction off campus in geographic areas or at large-scale sites or centers not approved by the board, unless otherwise provided by law. The board shall establish policies and procedures for reviewing, approving, and disapproving proposals for off-campus sites and centers.

Subd. 5. [CREDIT TRANSFER.] After consultation with the governing boards, the board shall establish and enforce student transfer agreements between public two-year and four-year institutions and among public four-year institutions. The governing boards shall conform to the agreements. The transfer agreements shall include provisions under which institutions shall accept all credit hours of acceptable course work for automatic transfer to another institution of higher education in Minnesota. The board shall have final authority in resolving transfer disputes.

Subd. 6. [BUDGETS.] (a) The board shall review and comment on all budgetary requests of the post-secondary systems and shall transmit its recommendations to the legislature.

(b) After consultation with the governing boards, the board shall make biennial statewide funding recommendations to the legislature and the governor.

Subd. 7. [CAPITAL BUDGETS.] Biennially, the board shall request from each governing board a five-year projection of capital development projects. The projections shall include the estimated cost, the method of funding, a schedule for project completion, and the governing board-approved priority for each project. The board shall review whether a proposed project is consistent with the role and mission and master plan of the institution and report its comments on each project to the legislature. The board may exempt from its review, any project which will require less than $250,000 of state money.

Subd. 8. [FINANCIAL AID PLANNING.] The board shall continuously engage in long-range planning for financial aid needs of Minnesota students and if necessary, cooperatively engage in planning with neighboring states and agencies of the federal government.

Sec. 6. Minnesota Statutes 1991 Supplement, section 179A.10, subdivision 2, is amended to read:

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

(1) law enforcement unit;

(2) craft, maintenance, and labor unit;

(3) service unit;

(4) health care nonprofessional unit;

(5) health care professional unit;

(6) clerical and office unit;

(7) technical unit;

(8) correctional guards unit;

(9) state university instructional unit;

(10) community college instructional unit;

(11) ~~technical college instructional unit;~~

~~(12)~~ state university administrative unit;

~~(13)~~ (12) professional engineering unit;

~~(14)~~ (13) health treatment unit;

~~(15)~~ (14) general professional unit;

~~(16)~~ (15) professional state residential instructional unit; and

~~(17)~~ (16) supervisory employees unit.

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

Sec. 7. Laws 1991, chapter 356, article 9, section 8, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENTS TO BOARD.] Appointments to the higher education board must be made by July 1, 1991. Notwithstanding section 2, the initial higher education board consists of two members each from the state board of technical colleges, state board for community colleges, ~~and~~ the state university board, and the board of regents of the University of Minnesota, appointed by their respective boards and ~~six~~ seven members appointed by the governor including the student member. The governor's appointees may also be members of the current governing boards. Except for members appointed by the board of regents, the members appointed by boards must have been confirmed by the senate to the board from which they are appointed and served for at least one year on the board from which they were appointed. Initial higher education board members appointed by boards are not subject to further senate confirmation. Initial appointees of the governor are not subject to section 3. The governor shall appoint the student member July 1, ~~1995~~ 1992. Notwithstanding section 2, subdivision 2, the initial members of the higher education board must be appointed so that an equal number will have terms expiring in three, five, and seven years. To the extent possible, the initial board must have the geographic balance required by section 2.

Sec. 8. Laws 1991, chapter 356, article 9, section 8, is amended by adding a subdivision to read:

Subd. 1a. [FILLING OF VACANCIES.] To provide for the transition between the interim and permanent higher education boards, vacancies on the interim board shall be filled as follows:

(a) If a vacancy occurs in a position representing a public post-secondary system, that vacancy shall be filled by the president or chancellor of that same system.

(b) The first vacancy to occur in the second position representing a public post-secondary system shall be filled by the president of the private college council. Later vacancies in the second positions representing public post-secondary systems shall not be filled.

(c) The terms of any remaining original members representing public post-secondary systems shall expire June 30, 1994.

Sec. 9. Laws 1991, chapter 356, article 9, section 8, subdivision 2, is amended to read:

Subd. 2. [INTERIM CHANCELLOR.] By November 1, 1991, the board shall hire a chancellor on an interim basis for the period

ending June 30, ~~1995~~ 1992. Thereafter, the board shall conduct a search and hire a ~~chancellor~~ director to serve on a continuing basis.

Sec. 10. [TRANSFER PROVISIONS.]

On July 1, 1992, the duties and responsibilities of the higher education coordinating board are transferred to the higher education board as provided in Minnesota Statutes, section 15.039.

Sec. 11. [REPEALER.]

Minnesota Statutes 1990, sections 136A.01; 136A.02; 136A.03; and 136A.04, subdivision 2; Minnesota Statutes 1991 Supplement, sections 135A.061; 135A.50; 136A.04, subdivision 1; 136E.03; 136E.04; and 136E.05; and Laws 1991, chapter 356, article 9, section 8, subdivisions 3, 4, 5, 6, 7, 8, and 9; and sections 9; 10; 11; 12; 13; 14; 15; and 16, are repealed.

Sec. 12. [INSTRUCTION TO REVISOR.]

Subdivision 1. [RECODIFY.] In the next edition of Minnesota Statutes, the revisor of statutes shall recodify chapters 136A and 136E into a new chapter. The revisor shall make necessary cross-reference changes consistent with the recodification.

Subd. 2. [NAME CHANGE.] The revisor of statutes is directed to change the term "higher education coordinating board," and similar terms, to "higher education board," or similar terms in the sections enumerated in subdivision 1. The change must be made in the next edition of Minnesota Statutes.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 11 are effective July 1, 1992."

Delete the title and insert:

"A bill for an act relating to education; transferring functions of the higher education coordinating board; changing the membership, terms, and functions of the higher education board; allowing the merger of certain technical colleges by agreement; amending Minnesota Statutes 1991 Supplement, sections 15A.081, subdivision 7b; 136E.01; 136E.02; 179A.10, subdivision 2; Laws 1991, chapter 356, article 9, section 8, subdivisions 1 and 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 136E; repealing Minnesota Statutes 1990, sections 136A.01; 136A.02; 136A.03; and 136A.04, subdivision 2; Minnesota Statutes 1991 Supplement, sections 135A.061; 135A.50; 136A.04, subdivision

1; 136E.03; 136E.04; and 136E.05; Laws 1991, chapter 356, article 9, section 8, subdivisions 3 to 9; and sections 9 to 16."

With the recommendation that when so amended the bill pass.

The report was adopted.

Welle from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 3003, A resolution making application to the Congress of the United States to adopt an amendment to the Constitution of the United States, for submission to the States, to require, with certain exceptions, that the Federal budget be balanced.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2042, 2768 and 3003 were read for the second time.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2121, A bill for an act relating to education; providing for general education and related revenue, transportation, special programs, other aids, levies, and programs; appropriating money; amending Minnesota Statutes 1990, sections 120.101, subdivision 5; 120.102, subdivision 1; 120.17, subdivisions 3a, 8a, 12, 14, 16, and by adding subdivisions; 121.148, subdivision 3; 121.11, by adding a subdivision; 121.16, subdivision 1; 121.935, by adding subdivisions; 122.22, by adding a subdivision; 122.23, subdivisions 13, 16, and by adding a subdivision; 122.247, subdivision 1; 122.531, subdivisions 1a, 2, 2a, 2b, and 2c; 122.532, subdivision 2; 123.35, by adding a

subdivision; 123.3514, subdivisions 6, as amended, as reenacted, 6b, as amended, as reenacted, and by adding a subdivision; 123.39, subdivision 8d; 123.58, by adding a subdivision; 123.744, as amended, as reenacted; 124.243, subdivision 2, and by adding a subdivision; 124.2725, subdivision 13; 124.331, subdivisions 1 and 3; 124.431, by adding a subdivision; 124.493, subdivision 1; 124.494, subdivisions 2, 4, and 5; 124.73, subdivision 1; 124.83, subdivisions 2, 6, and by adding subdivisions; 124.85, subdivision 4; 124A.22, subdivision 2a, and by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2, and by adding a subdivision; 124C.07; 124C.08, subdivision 2; 124C.09; 124C.61; 125.05, subdivisions 1, 7, and by adding subdivisions; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 126.12, subdivision 2; 126.22, by adding a subdivision; 127.46; 128A.09, subdivision 2, and by adding a subdivision; 128C.01, subdivision 4; 128C.02, by adding a subdivision; 134.34, subdivision 1, and by adding a subdivision; 136C.69, subdivision 3; 136D.75; 182.666, subdivision 6; 275.125, subdivision 10, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 120.062, subdivision 8a; 120.064, subdivision 4; 120.17, subdivisions 3b, 7a, and 11a; 120.181; 121.585, subdivision 3; 121.831; 121.904, subdivisions 4a and 4e; 121.912, subdivision 6; 121.932, subdivisions 2 and 5; 121.935, subdivisions 1 and 6; 122.22, subdivision 9; 122.23, subdivision 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.531, subdivision 4a; 123.3514, subdivisions 4 and 11; 123.702, subdivisions 1, 1a, and 1b; 124.155, subdivision 2; 124.19, subdivisions 1, 1b, and 7; 124.195, subdivision 2; 124.214, subdivisions 2 and 3; 124.2601, subdivision 6; 124.2721, subdivision 3b; 124.2727, subdivision 6, and by adding subdivisions; 124.479; 124.493, subdivision 3; 124.646, subdivision 4; 124.83, subdivision 1; 124.95, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 124A.03, subdivisions 1c, 2, 2a, and by adding a subdivision; 124A.23, subdivisions 1 and 4; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 125.185, subdivisions 4 and 4a; 125.62, subdivision 6; 126.70; 135A.03, subdivision 3a; 136D.22, subdivision 3; 136D.71, subdivision 2; 136D.76, subdivision 2; 136D.82, subdivision 3; 245A.03, subdivision 2; 275.065, subdivision 1; 275.125, subdivisions 6j and 11g; 364.09; and 373.42, subdivision 2; Laws 1990, chapter 366, section 1, subdivision 2; Laws 1991, chapter 265, articles 3, section 39, subdivision 16; 4, section 30, subdivision 11; 5, sections 18, 23, and 24, subdivision 4; 6, sections 64, subdivision 6, 67, subdivision 3, and 68; 7, sections 37, subdivision 6, 41, subdivision 4, and 44; 8, sections 14 and 19, subdivision 6; and 9, sections 75 and 76; proposing coding for new law in Minnesota Statutes, chapters 123; 124; 124C; and 135A; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 122.23, subdivisions 16a and 16b; 124.274; 125.03, subdivision 5; 128A.022, subdivision 5; 134.34, subdivision 2; 136D.74, subdivision 3; 136D.76, and subdivision 3; Minnesota Statutes 1991 Supplement, sections 121.935, subdivisions 7 and 8; 123.35, subdivision 19; 124.2721, subdivisions 5a and 5b; 124.2727, subdivisions 1, 2, 3, 4, and 5; and 136D.90, subdivision 2; Laws 1990, chapters 562, article 12; 604, article 8, section 12; and 610, article 1, section 7, subdivision 4; and

Laws 1991, chapter 265, article 9, section 73.

PATRICK E. FLAHAVEN, Secretary of the Senate

Nelson, K., moved that the House refuse to concur in the Senate amendments to H. F. No. 2121, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. No. 1849.

H. F. No. 1849 was reported to the House.

The Speaker called Krueger to the Chair.

Jefferson moved to amend H. F. No. 1849, the second engrossment, as follows:

Page 56, after line 3, insert:

"Sec. 7. Minnesota Statutes 1990, section 611A.52, subdivision 8, is amended to read:

Subd. 8. [ECONOMIC LOSS.] "Economic loss" means actual economic detriment incurred as a direct result of injury or death.

(a) In the case of injury the term is limited to:

(1) reasonable expenses incurred for necessary medical, chiropractic, hospital, rehabilitative, and dental products, services, or accommodations, including ambulance services, drugs, appliances, and prosthetic devices;

(2) reasonable expenses associated with recreational therapy where a claimant has suffered amputation of a limb;

(3) reasonable expenses incurred for psychological or psychiatric products, services, or accommodations where the nature of the injury or the circumstances of the crime are such that the treatment is necessary to the rehabilitation of the victim, subject to the following limitations:

(i) if treatment is likely to continue longer than six months after the date the claim is filed and the cost of the additional treatment will exceed $1,500, or if the total cost of treatment in any case will exceed $4,000, the provider shall first submit to the board a plan which includes the measurable treatment goals, the estimated cost of the treatment, and the estimated date of completion of the treatment. Claims submitted for treatment that was provided more than 30 days after the estimated date of completion may be paid only after advance approval by the board of an extension of treatment; and

(ii) the board may, in its discretion, elect to pay claims under this clause on a quarterly basis;

(4) loss of income that the victim would have earned had the victim not been injured;

(5) loss of income that the parent or guardian of a minor victim would have earned had the parent or guardian not been needed to care for the victim;

(6) reasonable expenses incurred for substitute child care or household services to replace those the victim would have performed had the victim not been injured. As used in this clause, "child care services" means services provided by facilities licensed under and in compliance with either Minnesota Rules, parts 9502.0315 to 9502.0445, or 9545.0510 to 9545.0670, or exempted from licensing requirements pursuant to section 245A.03. Licensed facilities must be paid at a rate not to exceed their standard rate of payment. Facilities exempted from licensing requirements must be paid at a rate not to exceed $3 an hour per child for daytime child care or $4 an hour per child for evening child care; and

~~(6)~~ (7) reasonable expenses actually incurred to return a child who was a victim of a crime under section 609.25 or 609.26 to the child's parents or lawful custodian. These expenses are limited to transportation costs, meals, and lodging from the time the child was located until the child was returned home.

(b) In the case of death the term is limited to:

(1) reasonable expenses actually incurred for funeral, burial, or cremation, not to exceed an amount to be determined by the board on the first day of each fiscal year;

(2) reasonable expenses for medical, chiropractic, hospital, rehabilitative, psychological and psychiatric services, products or accommodations which were incurred prior to the victim's death and for which the victim's survivors or estate are liable;

(3) loss of support, including contributions of money, products or goods, but excluding services which the victim would have supplied to dependents if the victim had lived; and

(4) reasonable expenses incurred for substitute child care and household services to replace those which the victim would have performed for the benefit of dependents if the victim had lived.

Claims for loss of support for minor children made under clause (3) must be paid for three years or until the child reaches 18 years old, whichever is the shorter period. After three years, if the child is less than 18 years old a claim for loss of support may be resubmitted to the board, and the board shall evaluate the claim giving consideration to the child's financial need and to the availability of funds to the board.

Claims for substitute child care services made under clause (4) must be limited to the actual care that the deceased victim would have provided to enable surviving family members to pursue economic, educational, and other activities other than recreational activities."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Olsen, S., moved to amend H. F. No. 1849, the second engrossment, as amended, as follows:

Page 4, line 19, after the headnote, insert "(a)"

Page 4, after line 32, insert:

"(b) A person shall comply with this section if:

(1) the person was convicted and sentenced to imprisonment in another state for a crime which, if committed in this state, would be a violation of a law described in paragraph (a);

(2) the person enters and remains in this state for 30 days or longer; and

(3) ten years have not elapsed since the person was released from imprisonment."

Page 4, line 35, after the headnote, insert "(a)"

Page 4, line 36, strike "this section" and insert "subdivision 1, paragraph (a),"

Page 5, after line 12, insert:

"(b) The commissioner of public safety shall give a written notice of the registration requirement in subdivision 1, paragraph (b), to any person who enters this state from another jurisdiction and applies for a Minnesota driver's license or identification card. The commissioner shall require the person to read and sign a form stating that the registration requirement has been explained. Upon request, the commissioner shall assist the person in complying with the registration requirements in subdivision 3."

Page 5, line 15, strike "The" and insert "A" and after "person" insert "who is required to register under subdivision 1, paragraph (a),"

Page 5, line 19, strike "(b)"

Page 5, after line 23, insert:

"(b) A person who is required to register under subdivision 1, paragraph (b), shall, within ten days after receiving notice of the registration requirement from the commissioner of public safety, register with the commissioner of public safety. If the person changes residence address, the person shall give the new address to the commissioner of public safety within ten days. The commissioner of public safety shall, within three days after receipt of this information, forward it to the bureau of criminal apprehension."

Page 28, line 12, after "prison" insert "or entering this state"

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., amendment and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Beard	Boo	Dauner	Erhardt
Anderson, I.	Begich	Brown	Davids	Farrell
Anderson, R.	Bertram	Carlson	Dawkins	Frederick
Anderson, R. H.	Bettermann	Carruthers	Dempsey	Frerichs
Battaglia	Blatz	Clark	Dille	Garcia
Bauerly	Bodahl	Cooper	Dorn	Girard

Goodno	Johnson, V.	McGuire	Pauly	Stanius
Greenfield	Kahn	McPherson	Pellow	Steensma
Gruenes	Kalis	Milbert	Pelowski	Sviggum
Gutknecht	Kelso	Morrison	Peterson	Swenson
Hanson	Kinkel	Murphy	Pugh	Thompson
Hartle	Knickerbocker	Nelson, K.	Reding	Tompkins
Hasskamp	Koppendrayer	Nelson, S.	Rest	Trimble
Haukoos	Krambeer	Newinski	Rodosovich	Tunheim
Hausman	Krinkie	O'Connor	Rukavina	Uphus
Heir	Krueger	Ogren	Runbeck	Valento
Henry	Lasley	Olsen, S.	Sarna	Vellenga
Hufnagle	Leppik	Olson, E.	Schafer	Wagenius
Hugoson	Lieder	Olson, K.	Schreiber	Waltman
Jacobs	Limmer	Omann	Seaberg	Weaver
Janezich	Lourey	Onnen	Segal	Wejcman
Jaros	Lynch	Orenstein	Simoneau	Welker
Jefferson	Macklin	Orfield	Skoglund	Welle
Jennings	Mariani	Osthoff	Smith	Wenzel
Johnson, A.	Marsh	Ostrom	Solberg	Winter
Johnson, R.	McEachern	Ozment	Sparby	Spk. Long

Those who voted in the negative were:

Vanasek

The motion prevailed and the amendment was adopted.

Krambeer, Swenson, Leppik, Lynch and Blatz moved to amend H. F. No. 1849, the second engrossment, as amended, as follows:

Page 48, after line 22, insert:

"(3) driving, operating, or being in actual physical control of a motor vehicle, snowmobile, all terrain vehicle, or motorboat while under the influence of alcohol or of a controlled substance in violation of section 84.91, 86B.331, 169.121, or a local ordinance in conformity with any of them and has a passenger who is a minor child. A conviction for an offense under section 84.91, 86B.331, 169.121, or a local ordinance in conformity with any of them arising from the same incident is prima facie evidence that the parent, legal guardian, or caretaker was under the influence of alcohol or a controlled substance for purposes of this section.

Sec. 6. Minnesota Statutes 1990, section 609.378, is amended by adding a subdivision to read:

Subd. 3. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Controlled substance" has the meaning given the term in section 152.01, subdivision 4.

(b) "Motorboat" has the meaning given the term in section 86B.005, subdivision 9.

(c) "Motor vehicle" has the meaning given the term in section 169.01, subdivision 3.

(d) "Snowmobile" has the meaning given the term in section 84.81, subdivision 3.

(e) "Under the influence of alcohol or of a controlled substance" has the meaning given the term in sections 84.91 or 86B.331 or 169.121 or a local ordinance in conformity with any of them."

Page 50, line 29, delete "6" and insert "7"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Krambeer et al amendment and the roll was called. There were 127 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Knickerbocker	Olsen, S.	Smith
Anderson, I.	Frerichs	Koppendrayer	Olson, E.	Solberg
Anderson, R.	Garcia	Krambeer	Olson, K.	Sparby
Anderson, R. H.	Girard	Krinkie	Omann	Stanius
Battaglia	Goodno	Krueger	Onnen	Steensma
Bauerly	Greenfield	Lasley	Orenstein	Sviggum
Beard	Gruenes	Leppik	Orfield	Swenson
Begich	Gutknecht	Lieder	Osthoff	Thompson
Bertram	Hanson	Limmer	Ostrom	Tompkins
Bettermann	Hartle	Lourey	Ozment	Trimble
Bishop	Hasskamp	Lynch	Pauly	Tunheim
Blatz	Haukoos	Macklin	Pellow	Uphus
Bodahl	Hausman	Mariani	Pelowski	Valento
Boo	Heir	Marsh	Peterson	Vellenga
Brown	Henry	McEachern	Pugh	Wagenius
Carlson	Hufnagle	McGuire	Reding	Waltman
Carruthers	Hugoson	McPherson	Rest	Weaver
Cooper	Jacobs	Milbert	Rodosovich	Wejcman
Dauner	Jefferson	Morrison	Runbeck	Welker
Davids	Jennings	Munger	Sarna	Welle
Dawkins	Johnson, A.	Murphy	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schreiber	Winter
Dille	Johnson, V.	Nelson, S.	Seaberg	Spk. Long
Dorn	Kalis	Newinski	Segal	
Erhardt	Kelso	O'Connor	Simoneau	
Farrell	Kinkel	Ogren	Skoglund	

Those who voted in the negative were:

Janezich	Kahn	Rukavina
Jaros	Rice	Vanasek

The motion prevailed and the amendment was adopted.

Newinski moved to amend H. F. No. 1849, the second engrossment, as amended, as follows:

Page 48, lines 10 to 16, delete the new language

Page 48, after line 22, insert:

"(c) [ENDANGERMENT; PRESENCE OF CONTROLLED SUBSTANCES.] A parent, legal guardian, or caretaker who knowingly causes or permits a child to be present where any person is selling or possessing a controlled substance, as defined in section 152.01, subdivision 4, in violation of sections 152.021, 152.022, 152.023, or 152.024, is guilty of a crime and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $5,000, or both. A person convicted of a second or subsequent offense under this paragraph may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both."

A roll call was requested and properly seconded.

The question was taken on the Newinski amendment and the roll was called. There were 53 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Johnson, V.	Olsen, S.	Steensma
Anderson, R.	Gruenes	Knickerbocker	Omann	Sviggum
Anderson, R. H.	Gutknecht	Koppendrayer	Onnen	Swenson
Bettermann	Hanson	Krambeer	Ozment	Tompkins
Boo	Hartle	Leppik	Pellow	Uphus
Davids	Haukoos	Limmer	Pelowski	Valento
Dempsey	Heir	Lynch	Runbeck	Waltman
Erhardt	Henry	Marsh	Sarna	Weaver
Frederick	Hufnagle	Morrison	Schafer	Welker
Frerichs	Hugoson	Newinski	Smith	
Girard	Johnson, R.	O'Connor	Stanius	

Those who voted in the negative were:

Anderson, I.	Brown	Farrell	Jefferson	Lasley
Battaglia	Carlson	Garcia	Jennings	Lieder
Bauerly	Carruthers	Greenfield	Johnson, A.	Lourey
Beard	Clark	Hasskamp	Kahn	Mariani
Begich	Cooper	Hausman	Kalis	McEachern
Bertram	Dauner	Jacobs	Kelso	McGuire
Bishop	Dawkins	Janezich	Kinkel	Munger
Bodahl	Dorn	Jaros	Krueger	Murphy

Nelson, K.	Osthoff	Rodosovich	Solberg	Wagenius
Nelson, S.	Ostrom	Rukavina	Sparby	Wejcman
Ogren	Peterson	Schreiber	Thompson	Welle
Olson, E.	Pugh	Seaberg	Trimble	Wenzel
Olson, K.	Reding	Segal	Tunheim	Winter
Orenstein	Rest	Simoneau	Vanasek	Spk. Long
Orfield	Rice	Skoglund	Vellenga	

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

Tompkins moved to amend H. F. No. 1849, the second engrossment, as amended, as follows:

Page 83, after line 26, insert:

"Sec. 3. Minnesota Statutes 1991 Supplement, section 541.073, is amended by adding a subdivision to read:

Subd. 4. [PREREQUISITE TO FILING CERTAIN CLAIMS.] Notwithstanding any law to the contrary, an action for damages under this section may not be commenced unless the plaintiff reports the sexual abuse to a law enforcement agency before commencing the action. This prohibition does not apply if the statute of limitations governing the criminal sexual conduct has expired."

Page 85, line 14, delete "4" and insert "5"

Renumber the sections in sequence

Amend the title accordingly

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

Dille moved to amend H. F. No. 1849, the second engrossment, as amended, as follows:

Page 44, lines 22 to 32, delete Sec. 2.

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Dille amendment and the roll was called. There were 53 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Kelso	Ostrom	Sviggum
Anderson, R. H.	Frerichs	Knickerbocker	Pauly	Tompkins
Beard	Girard	Koppendrayer	Pellow	Uphus
Bettermann	Goodno	Krinkie	Pelowski	Valento
Bishop	Gutknecht	Krueger	Reding	Vanasek
Blatz	Haukoos	Lynch	Runbeck	Waltman
Boo	Heir	McPherson	Schafer	Weaver
Dauner	Henry	Morrison	Schreiber	Welker
Davids	Hufnagle	Newinski	Seaberg	Wenzel
Dille	Jacobs	Olson, K.	Smith	
Dorn	Johnson, V.	Onnen	Stanius	

Those who voted in the negative were:

Anderson, I.	Greenfield	Krambeer	O'Connor	Simoneau
Anderson, R.	Gruenes	Lasley	Ogren	Skoglund
Battaglia	Hanson	Leppik	Olsen, S.	Solberg
Bauerly	Hartle	Lieder	Olson, E.	Sparby
Begich	Hasskamp	Limmer	Omann	Steensma
Bertram	Hausman	Lourey	Orenstein	Swenson
Bodahl	Hugoson	Macklin	Orfield	Thompson
Brown	Janezich	Mariani	Osthoff	Trimble
Carlson	Jaros	Marsh	Ozment	Tunheim
Carruthers	Jefferson	McEachern	Peterson	Vellenga
Clark	Jennings	McGuire	Pugh	Wagenius
Cooper	Johnson, A.	Milbert	Rest	Wejcman
Dempsey	Johnson, R.	Munger	Rodosovich	Welle
Farrell	Kahn	Murphy	Rukavina	Winter
Frederick	Kalis	Nelson, K.	Sarna	Spk. Long
Garcia	Kinkel	Nelson, S.	Segal	

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

The Speaker called Krueger to the Chair.

Ozment moved to amend H. F. No. 1849, the second engrossment, as amended, as follows:

Page 131, after line 35, insert:

"Of this appropriation, $300,000 is for battered women shelters."

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Farrell moved to amend H. F. No. 1849, the second engrossment, as amended, as follows:

Page 82, delete section 1

Page 82, line 36, delete "Sec. 2" and insert "Section 1"

Page 83, delete lines 5 to 7

Amend the title as follows:

Page 1, line 22, delete everything after the semicolon

Page 1, line 23, delete everything before "creating"

Page 2, line 16, delete "631.035;"

A roll call was requested and properly seconded.

The question was taken on the Farrell amendment and the roll was called. There were 72 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Farrell	Lieder	Orfield	Steensma
Anderson, R. H.	Garcia	Lourey	Osthoff	Thompson
Battaglia	Greenfield	Mariani	Ostrom	Trimble
Bauerly	Hanson	McEachern	Ozment	Tunheim
Beard	Hasskamp	McGuire	Pugh	Vanasek
Begich	Hausman	Milbert	Reding	Vellenga
Bodahl	Jacobs	Munger	Rest	Wagenius
Brown	Janezich	Murphy	Rice	Wejcman
Carlson	Jaros	Nelson, K.	Rodosovich	Welle
Carruthers	Jefferson	Nelson, S.	Rukavina	Wenzel
Clark	Jennings	O'Connor	Sarna	Winter
Cooper	Johnson, A.	Ogren	Segal	Spk. Long
Dauner	Kahn	Olson, E.	Skoglund	
Dawkins	Kelso	Olson, K.	Sparby	
Dorn	Lasley	Orenstein	Stanius	

Those who voted in the negative were:

Abrams	Goodno	Knickerbocker	Olsen, S.	Solberg
Bertram	Gruenes	Koppendrayer	Omann	Sviggum
Bettermann	Gutknecht	Krambeer	Onnen	Swenson
Bishop	Hartle	Krinkie	Pauly	Tompkins
Blatz	Haukoos	Krueger	Pellow	Uphus
Boo	Heir	Leppik	Pelowski	Valento
Davids	Henry	Limmer	Peterson	Waltman
Dempsey	Hufnagle	Lynch	Runbeck	Weaver
Dille	Hugoson	Macklin	Schafer	Welker
Erhardt	Johnson, R.	Marsh	Schreiber	
Frederick	Johnson, V.	McPherson	Seaberg	
Frerichs	Kalis	Morrison	Simoneau	
Girard	Kinkel	Newinski	Smith	

The motion prevailed and the amendment was adopted.

Bertram, McEachern and Pellow moved to amend H. F. No. 1849, the second engrossment, as amended, as follows:

Pages 51 and 52, delete section 2

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Bertram et al amendment and the roll was called. There were 39 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Bauerly	Garcia	Lasley	Nelson, S.	Rice
Bertram	Hasskamp	Lieder	Orenstein	Rukavina
Bodahl	Hausman	Mariani	Orfield	Segal
Boo	Janezich	McEachern	Osthoff	Steensma
Brown	Jaros	McGuire	Ostrom	Thompson
Dawkins	Kalis	Milbert	Pellow	Vanasek
Dempsey	Kelso	Munger	Pugh	Vellenga
Dorn	Kinkel	Nelson, K.	Reding	

Those who voted in the negative were:

Abrams	Frerichs	Knickerbocker	Omann	Sviggum
Anderson, I.	Girard	Koppendrayer	Onnen	Swenson
Anderson, R.	Goodno	Krambeer	Ozment	Tompkins
Anderson, R. H.	Gruenes	Krinkie	Pauly	Trimble
Battaglia	Gutknecht	Krueger	Pelowski	Tunheim
Beard	Hanson	Leppik	Peterson	Uphus
Begich	Hartle	Limmer	Rest	Valento
Bettermann	Haukoos	Lourey	Rodosovich	Wagenius
Blatz	Heir	Lynch	Runbeck	Waltman
Carlson	Henry	Macklin	Sarna	Weaver
Carruthers	Hufnagle	Marsh	Schafer	Wejcman
Clark	Hugoson	McPherson	Schreiber	Welker
Cooper	Jacobs	Morrison	Seaberg	Welle
Dauner	Jefferson	Murphy	Simoneau	Wenzel
Davids	Jennings	Newinski	Skoglund	Winter
Dille	Johnson, A.	O'Connor	Smith	Spk. Long
Erhardt	Johnson, R.	Olsen, S.	Solberg	
Farrell	Johnson, V.	Olson, E.	Sparby	
Frederick	Kahn	Olson, K.	Stanius	

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

McPherson moved to amend H. F. No. 1849, the second engrossment, as amended, as follows:

Page 129, after line 4, insert:

"Section 1. Minnesota Statutes 1990, section 3.739, subdivision 1, is amended to read:

Subdivision 1. [PERMISSIBLE CLAIMS.] Claims and demands arising out of the circumstances described in this subdivision shall be presented to, heard, and determined as provided in subdivision 2:

(1) an injury to or death of an inmate of a state, regional, or local correctional facility or county jail who has been conditionally released and ordered to perform uncompensated work for a state agency, a political subdivision or public corporation of this state, a nonprofit educational, medical, or social service agency, or a private business or individual, as a condition of the release, while performing the work;

(2) an injury to or death of a person sentenced by a court, granted a suspended sentence by a court, or subject to a court disposition order, and who, under court order, is performing work (a) in restitution, (b) in lieu of or to work off fines or court ordered costs, (c) in lieu of incarceration, or (d) as a term or condition of a sentence, suspended sentence, or disposition order, while performing the work;

(3) an injury to or death of a person, who has been diverted from the court system and who is performing work as described in paragraph (1) or (2) under a written agreement signed by the person, and if a juvenile, by a parent or guardian; ~~or~~

(4) an injury to or death of an inmate of a state correctional facility who has been conditionally released through a community work program and ordered to perform work for a non-profit organization as a condition of the release, while performing the work; or

(5) an injury to or death of any person caused by an individual who was performing work as described in paragraph (1), (2), ~~or~~ (3), or (4)."

Page 131, line 15, delete "1" and insert "2"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

Dempsey, Ostrom, Dorn, Schafer and Frederick moved to amend H. F. No. 1849, the second engrossment, as amended, as follows:

Page 131, line 26, delete "$3,673,000" and insert "$3,697,000"

Page 132, after line 3, insert:

"Of this appropriation, $24,000 is for the counties of Brown, Nicollet, and Blue Earth for the acquisition and construction of a juvenile detention center."

Adjust totals accordingly

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The question was taken on the Dempsey et al amendment and the roll was called. There were 66 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Hugoson	Olsen, S.	Stanius
Anderson, I.	Erhardt	Jennings	Olson, E.	Sviggum
Anderson, R. H.	Frederick	Johnson, V.	Omann	Swenson
Battaglia	Frerichs	Knickerbocker	Ostrom	Tompkins
Begich	Girard	Koppendrayer	Ozment	Uphus
Bettermann	Goodno	Krambeer	Pauly	Valento
Bishop	Gruenes	Krinkie	Pellow	Waltman
Blatz	Gutknecht	Limmer	Pelowski	Weaver
Boo	Hartle	Lynch	Peterson	Welker
Brown	Hasskamp	Macklin	Runbeck	Wenzel
Cooper	Haukoos	Marsh	Schafer	
Davids	Heir	McPherson	Seaberg	
Dempsey	Henry	Morrison	Smith	
Dille	Hufnagle	Newinski	Sparby	

Those who voted in the negative were:

Anderson, R.	Dauner	Jaros	Lasley	Munger
Bauerly	Dawkins	Jefferson	Leppik	Murphy
Beard	Farrell	Johnson, A.	Lieder	Nelson, S.
Bertram	Garcia	Johnson, R.	Lourey	O'Connor
Bodahl	Hanson	Kahn	Mariani	Olson, K.
Carlson	Hausman	Kelso	McEachern	Onnen
Carruthers	Jacobs	Kinkel	McGuire	Orenstein
Clark	Janezich	Krueger	Milbert	Orfield

Osthoff	Rukavina	Solberg	Vellenga	Spk. Long
Pugh	Sarna	Steensma	Wagenius	
Rest	Segal	Thompson	Wejcman	
Rice	Simoneau	Trimble	Welle	
Rodosovich	Skoglund	Tunheim	Winter	

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

Welker moved to amend H. F. No. 1849, the second engrossment, as amended, as follows:

Pages 51 to 52, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1990, section 135A.15, is amended to read:

135A.15 [SEXUAL HARASSMENT AND VIOLENCE POLICY.]

Subdivision 1. [POLICY REQUIRED.] The governing board of each public post-secondary system and each public post-secondary institution shall adopt a clear, understandable written policy on sexual harassment and sexual violence. The policy must apply to students and employees and must provide information about their rights and duties. It must include procedures for reporting incidents of sexual harassment or sexual violence and for disciplinary actions against violators. During student registration, each public post-secondary institution shall provide each student with information regarding its policy. A copy of the policy also shall be posted at appropriate locations on campus at all times. Each private post-secondary institution that enrolls students who receive state financial aid must adopt a policy that meets the requirements of this section. The higher education coordinating board shall coordinate the policy development of the systems and institutions and periodically provide for review and necessary changes in the policies.

Subd. 2. [VICTIMS RIGHTS.] The policy required under subdivision 1 shall, at a minimum, inform victims of the following rights:

(1) the right to the prompt assistance of campus authorities in notifying the appropriate prosecutorial and disciplinary authorities of a sexual assault incident;

(2) the right to an investigation and resolution of a sexual assault complaint by the appropriate criminal prosecutor and campus disciplinary authorities;

(3) the right to participate in and have the assistance of the victim's attorney or other support person at any campus disciplinary proceeding concerning the sexual assault complaint;

(4) the right to be notified of the outcome of any campus disciplinary proceeding concerning the sexual assault complaint;

(5) the right to the complete and prompt assistance of campus authorities, in cooperation with the appropriate legal authorities, in obtaining, securing, and maintaining evidence relevant to the campus disciplinary proceeding or other legal proceeding concerning the sexual assault complaint; and

(6) the right to have campus personnel, in cooperation with the appropriate legal authorities, take reasonable steps at the victim's request to shield the victim from unwanted contact with the alleged assailant, including but not limited to transfer of the victim to alternative classes or to alternative college-owned housing, if alternative classes or housing are available."

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

Welker, Clark and Swenson moved to amend H. F. No. 1849, the second engrossment, as amended, as follows:

Page 65, line 31, delete "legislature" and insert "commissioner of corrections"

Page 68, line 6, delete "recommend" and insert "adopt"

Page 69, line 24, delete "legislature" and insert "commissioner of corrections"

The motion prevailed and the amendment was adopted.

Frederick, Henry, Krambeer, Newinski, Heir and Marsh offered an amendment to H. F. No. 1849, the second engrossment, as amended.

Osthoff requested a division of the Frederick et al amendment to H. F. No. 1849, the second engrossment, as amended.

The first portion of the Frederick et al amendment to H. F. No. 1849, the second engrossment, as amended, reads as follows:

Page 48, after line 22, insert:

"Sec. 7. Minnesota Statutes 1990, section 609.40, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] In this section "flag" means anything which is or purports to be the Stars and Stripes, the United States shield, the United States coat of arms, the Minnesota state flag, the MIA/POW flag, as described in Laws 1986, chapter 393, section 1, or a copy, picture, or representation of any of them."

Page 50, line 29, delete "6" and insert "7"

Renumber the sections in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the first portion of the Frederick et al amendment and the roll was called. There were 119 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kelso	Newinski	Segal
Anderson, I.	Frederick	Kinkel	O'Connor	Simoneau
Anderson, R.	Frerichs	Knickerbocker	Olsen, S.	Smith
Anderson, R. H.	Garcia	Koppendrayer	Olson, E.	Solberg
Battaglia	Girard	Krambeer	Olson, K.	Sparby
Bauerly	Goodno	Krinkie	Omann	Stanius
Beard	Gruenes	Krueger	Onnen	Steensma
Begich	Gutknecht	Lasley	Osthoff	Sviggum
Bertram	Hanson	Leppik	Ostrom	Swenson
Bettermann	Hartle	Lieder	Ozment	Thompson
Bishop	Hasskamp	Limmer	Pauly	Tompkins
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Henry	Lynch	Pelowski	Uphus
Boo	Hufnagle	Macklin	Peterson	Valento
Brown	Hugoson	Marsh	Pugh	Vellenga
Carlson	Jacobs	McEachern	Reding	Wagenius
Carruthers	Janezich	McGuire	Rest	Waltman
Cooper	Jaros	McPherson	Rodosovich	Weaver
Dauner	Jefferson	Milbert	Rukavina	Welker
Davids	Jennings	Morrison	Runbeck	Welle
Dempsey	Johnson, A.	Munger	Sarna	Wenzel
Dille	Johnson, R.	Murphy	Schafer	Winter
Dorn	Johnson, V.	Nelson, K.	Schreiber	Spk. Long
Erhardt	Kalis	Nelson, S.	Seaberg	

Those who voted in the negative were:

Clark	Hausman	Orenstein	Skoglund
Dawkins	Kahn	Orfield	Vanasek
Greenfield	Mariani	Rice	Wejcman

The motion prevailed and the first portion of the Frederick et al amendment was adopted.

Frederick withdrew the second portion of the Frederick et al amendment to H. F. No. 1849, the second engrossment, as amended.

Lasley moved to amend H. F. No. 1849, the second engrossment, as amended, as follows:

Pages 48 and 49, delete section 6

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Lasley amendment and the roll was called. There were 11 yeas and 121 nays as follows:

Those who voted in the affirmative were:

Dawkins	Jaros	Reding	Trimble
Greenfield	Lasley	Rodosovich	Vanasek
Janezich	Mariani	Rukavina	

Those who voted in the negative were:

Abrams	Farrell	Kinkel	Olson, E.	Solberg
Anderson, I.	Frederick	Knickerbocker	Olson, K.	Sparby
Anderson, R.	Frerichs	Koppendrayer	Omann	Stanius
Anderson, R. H.	Garcia	Krambeer	Onnen	Steensma
Battaglia	Girard	Krinkie	Orenstein	Sviggum
Bauerly	Goodno	Krueger	Orfield	Swenson
Beard	Gruenes	Leppik	Osthoff	Thompson
Begich	Hanson	Lieder	Ostrom	Tompkins
Bertram	Hartle	Limmer	Ozment	Tunheim
Bettermann	Hasskamp	Lourey	Pauly	Uphus
Bishop	Haukoos	Lynch	Pellow	Valento
Blatz	Hausman	Macklin	Pelowski	Vellenga
Bodahl	Heir	Marsh	Peterson	Wagenius
Boo	Henry	McEachern	Pugh	Waltman
Brown	Hufnagle	McGuire	Rest	Weaver
Carlson	Hugoson	McPherson	Rice	Wejcman
Carruthers	Jacobs	Milbert	Runbeck	Welker
Clark	Jefferson	Morrison	Sarna	Welle
Cooper	Jennings	Munger	Schafer	Wenzel
Dauner	Johnson, A.	Murphy	Schreiber	Winter
Davids	Johnson, R.	Nelson, K.	Seaberg	Spk. Long
Dempsey	Johnson, V.	Nelson, S.	Segal	
Dille	Kahn	Newinski	Simoneau	
Dorn	Kalis	O'Connor	Skoglund	
Erhardt	Kelso	Olsen, S.	Smith	

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

Uphus, Valento, Omann, Waltman and Jennings moved to amend H. F. No. 1849, the second engrossment, as amended, as follows:

Page 129, after line 2, insert:

"ARTICLE 13

DEATH PENALTY

Section 1. [609A.01] [REQUIRING NOTICE BY STATE IN DEATH PENALTY CASES.]

If the state intends to seek the death penalty for an offense punishable by death, the prosecuting attorney shall sign and file with the court, and serve upon the defendant, a notice that the state will seek the sentence of death in the event of conviction. The notice must be filed and served within a reasonable time before trial or acceptance by the court of a plea of guilty. If the prosecuting attorney does not comply with the notice requirements of this section, the court may not impose the death penalty under section 4.

Sec. 2. [609A.02] [APPOINTMENT OF ATTORNEYS IN CAPITAL CASES.]

Upon notification under section 1 that the prosecuting attorney intends to seek the death penalty, the court shall order the appointment of two attorneys to counsel the defendant, at least one of whom has had significant criminal defense experience, unless the court is satisfied that the defendant has retained a competent attorney. If the defendant is not represented by an attorney and is not able to afford one, the court shall order the appropriate district public defender to assign two public defenders. If the defendant is convicted and sentenced to death, the state public defender shall represent the defendant during the appeal process.

Sec. 3. [609A.03] [SENTENCE OF DEATH FOR MURDER IN CERTAIN CASES; SENTENCING PROCEEDINGS.]

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

(b) "First degree murder" means murder in the first degree as defined in section 609.185.

(c) "Heinous crime" means a violation of section 609.185, 609.19, 609.195, or a violation of section 609.342 or 609.343 if the offense was committed with force or violence.

Subd. 2. [EXCLUDING DEATH SENTENCE.] When a defendant is found guilty of first degree murder, and the defendant has one or

more previous convictions for a heinous crime, the court shall impose a sentence other than that of death if it is satisfied that:

(1) none of the aggravating circumstances listed in subdivision 4 was established by the evidence at the trial or will be established at a sentencing proceeding under subdivision 3;

(2) substantial mitigating circumstances, established by the evidence at the trial, call for leniency;

(3) the defendant, with the consent of the prosecuting attorney and the approval of the court, pleaded guilty to murder with life imprisonment or a lesser sentence as the maximum term;

(4) the defendant was under 18 years of age at the time of the commission of the crime;

(5) the defendant's physical or mental condition calls for leniency; or

(6) although the evidence is sufficient to sustain the verdict, it does not foreclose all doubt about the defendant's guilt.

Subd. 3. [SEPARATE SENTENCING PROCEEDING TO DETERMINE IF DEATH PENALTY WARRANTED.] (a) When a defendant is convicted of first degree murder, and the defendant has one or more previous convictions for a heinous crime, the court shall conduct a separate proceeding to determine whether the defendant should be sentenced to death or to a sentence other than death as required by law, unless the court imposes a sentence under subdivision 2. The proceeding must be conducted before the court alone if the defendant was convicted by a court sitting without a jury, if the defendant pleaded guilty, or if the prosecuting attorney and the defendant waive a jury with respect to sentence. In other cases it must be conducted before the court sitting with the jury that determined the defendant's guilt or, if the court for good cause shown discharges that jury, with a new jury impaneled for the purpose.

(b) In the proceeding, evidence may be presented about any matter that the court considers relevant to sentence, including the nature and circumstances of the crime, the defendant's character, background, history, mental and physical condition, and any of the aggravating or mitigating circumstances listed in subdivisions 4 and 5. Any evidence relevant to the sentence, not legally privileged, that the court considers to have probative force, may be received, regardless of its admissibility under the exclusionary rules of evidence. The defendant's counsel must be given a fair opportunity to rebut the evidence. The prosecuting attorney and the defendant or defendant's counsel must be permitted to present argument for or against a sentence of death.

Subd. 4. [AGGRAVATING CIRCUMSTANCES.] (a) In this subdivision, "involved in" means engaged in committing a crime or attempting to commit a crime, acting as an accomplice in a crime or an attempt at a crime, or fleeing after committing or attempting to commit a crime.

(b) "Aggravating circumstances" are limited to the following:

(1) the victim of the murder was a public safety officer, as defined in section 299A.41, subdivision 4;

(2) the victim was under the age of 12 years and had a past history of physical or sexual abuse by the defendant, as defined in section 626.556, subdivision 2;

(3) the defendant was being held in lawful custody at the time of the murder;

(4) the murder was committed while the defendant was involved in criminal sexual conduct in the first degree by force or threat of force;

(5) the defendant intentionally killed the victim while the defendant was involved in a major controlled substance offense. "Major controlled substance offense" means an offense or series of offenses constituting a felony violation or violations under chapter 152, related to trafficking in controlled substances under circumstances more onerous than the usual offense and including at least one of the following circumstances:

(i) the offense involved an attempted or actual sale or transfer of controlled substances in quantities substantially larger than for personal use;

(ii) the defendant knowingly possessed a firearm during the commission of the offense;

(iii) the circumstances of the offense reveal that the defendant occupied a high position in the drug distribution hierarchy; or

(iv) the offense involved a high degree of sophistication or planning; or

(6) at the time of the murder the defendant had previously been convicted of two or more state or federal offenses punishable by a term of imprisonment of more than one year, committed on different occasions, involving the distribution of a controlled substance in violation of chapter 152.

Subd. 5. [MITIGATING CIRCUMSTANCES.] "Mitigating circumstances" include:

(1) the defendant has no significant history of prior criminal activity;

(2) the murder was committed while the defendant was under extreme mental or emotional disturbance, although not sufficiently impaired as to constitute a defense to prosecution;

(3) the victim was a participant in the defendant's homicidal conduct or consented to the homicidal act;

(4) the defendant acted on a threat of imminent infliction of death or great bodily harm;

(5) at the time of the offense, the capacity of the offender to appreciate the criminality of the conduct or to conform that conduct to law was impaired as a result of mental disease or defect or intoxication; or

(6) any other relevant mitigating circumstance.

Sec. 4. [609A.04] [IMPOSITION OF DEATH SENTENCE; MODE OF EXECUTION.]

Subdivision 1. [DECISION.] (a) The court has discretion to determine whether a sentence of death will be imposed, except that when the proceeding is conducted before the court sitting with a jury, the court may not impose a sentence of death unless (1) it submits to the jury the issue whether the defendant should be sentenced to death or to imprisonment, and (2) the jury returns a verdict that the sentence should be death. If the jury is unable to reach a unanimous verdict, the court shall dismiss the jury and impose a sentence other than death as required by law.

(b) The court, in exercising its discretion as to sentence, and the jury, in determining its verdict, shall take into account the aggravating and mitigating circumstances listed in section 3, subdivisions 4 and 5, and any other facts that the court or jury considers relevant, but the court or jury may not impose or recommend a sentence of death unless the court or jury unanimously finds one of the aggravating circumstances listed in subdivision 4 and further unanimously finds that there are no mitigating circumstances sufficiently substantial to call for leniency.

(c) The burden of establishing the existence of an aggravating circumstance is on the state and is not satisfied unless established beyond a reasonable doubt. The burden of establishing the existence of a mitigating circumstance is on the defendant and is not satisfied unless established by a preponderance of the evidence.

(d) When the issue is submitted to the jury, the court shall instruct

the jury on the requirements of this subdivision. At that time, the court shall also inform the jury of the nature of the sentence of imprisonment that may be imposed if the jury verdict is against a sentence of death, including the implications of the sentence for possible supervised release. The court shall instruct the jury about the aggravating and mitigating circumstances listed in section 3. The court may provide the jury with a list of the aggravating and mitigating circumstances about which the jury is instructed.

Subd. 2. [IMPOSITION.] (a) When the proceeding is conducted without a jury, the court shall sentence the defendant to death when it:

(1) finds beyond a reasonable doubt that at least one statutory aggravating circumstance exists; and

(2) finds that there are no mitigating circumstances sufficiently substantial to call for leniency.

(b) When the proceeding is conducted before a jury, the court shall sentence the defendant to death when the jury unanimously:

(1) finds beyond a reasonable doubt that at least one statutory aggravating circumstance exists;

(2) finds that there are no mitigating circumstances sufficiently substantial to call for leniency; and

(3) recommends that the sentence of death be imposed.

(c) When the jury does not recommend a sentence of death, the court shall sentence the defendant to imprisonment as provided by law.

Subd. 3. [SENTENCE OF DEATH PRECLUDED.] A sentence of death may not be carried out upon a person who is under 18 years of age at the time the crime was committed. A sentence of death may not be carried out upon a person who, by reason of a mental disease or defect, is unable to understand the impending death or the reasons for it. A sentence of death may not be carried out upon a person who is pregnant.

Subd. 4. [EXECUTION BY LETHAL INJECTION.] When the court sentences a defendant to death under subdivision 2, the order of execution must be carried out by administration of a continuous, intravenous injection of a lethal quantity of an ultra-fast-acting barbiturate in combination with a chemical paralytic agent until a licensed physician pronounces that the defendant is dead according to accepted standards of medical practice. The execution by lethal injection must be performed by a person selected by the chief

executive officer of the maximum security facility at which the execution will take place and trained to administer the injection. The person administering the injection need not be a physician, registered nurse, or licensed practical nurse licensed or registered under the laws of this or another state.

Sec. 5. [609A.05] [SENTENCING COURT; ADMINISTRATIVE REQUIREMENTS.]

Subdivision 1. [DATE OF EXECUTION.] In pronouncing a sentence of death, the court shall set the date of execution not less than 60 days nor more than 90 days from the date the sentence is pronounced. If execution has been stayed by a court and the date set for execution has passed before dissolution of the stay, the court in which the defendant was previously sentenced shall, upon dissolution of the stay, set a new date of execution not less than five nor more than 90 days from the day the date is set. The defendant is entitled to be present in court on the day the new date of execution is set.

Subd. 2. [COPIES OF ORDER OF EXECUTION.] When a person is sentenced to death, the court administrator shall prepare certified copies of the judgment and order of execution and send these documents to the governor, defendant, defendant's counsel, attorney general, chief justice of the supreme court, state court administrator, and the state public defender's office within five business days following entrance of the order of execution.

Subd. 3. [DELIVERY OF DEFENDANT TO MAXIMUM SECURITY FACILITY.] Pending execution of a sentence of death, the sheriff or other chief law enforcement officer who has custody of the defendant may deliver the defendant to the maximum security facility designated by the commissioner of corrections to be the place where the execution is to be held. The state shall bear the costs of imprisoning the defendant from the date of delivery.

Sec. 6. [609A.06] [REVIEW OF DEATH SENTENCES BY SUPREME COURT.]

Subdivision 1. [AUTOMATIC REVIEW.] The judgment of conviction and a sentence of death are subject to automatic review by the supreme court within 60 days after certification by the sentencing court of the entire record, unless the supreme court extends the time, for good cause shown, for an additional period not to exceed 30 days. The review by the supreme court has priority over all other cases and must be heard in accordance with rules adopted by the supreme court.

Subd. 2. [TRANSCRIPT.] The court administrator, within ten days after receiving the transcript, shall transmit the entire record and transcript to the supreme court together with a notice prepared by

the administrator and a report prepared by the trial judge. The notice shall set forth the title and docket number of the case, the name of the defendant, the name and address of the defendant's attorney, a narrative statement of the judgment, the offense, and the punishment prescribed. The report shall be in the form of a standard questionnaire prepared and supplied by the supreme court.

Subd. 3. [REVIEW GUIDELINES.] Each sentence of death must be reviewed by the supreme court to determine if it is excessive. In determining whether the sentence is excessive, the supreme court shall determine whether the:

(1) sentence was imposed under the influence of passion, prejudice, or other arbitrary factors;

(2) evidence supports the finding of a statutory aggravating circumstance; and

(3) sentence is disproportionate to the penalty imposed in similar cases, considering both the crime and the defendant.

Subd. 4. [BRIEFS.] Both the defendant and the state have the right to submit briefs within the time provided by the court and to present oral argument to the court.

Subd. 5. [DECISION.] The supreme court shall:

(1) affirm the sentence of death; or

(2) set the sentence aside and remand the case for resentencing by the trial judge based on the record and argument of counsel.

Subd. 6. [NOTICE TO GOVERNOR.] Within five business days after reaching a decision under subdivision 5, the supreme court shall notify the governor whether the death sentence has been affirmed or set aside.

Sec. 7. [609A.07] [UNIFIED REVIEW PROCEDURE.]

Subdivision 1. [PROCEDURE.] The supreme court shall establish by rule a unified review procedure to provide for the presentation to the sentencing court and to the supreme court of all possible challenges to the trial, conviction, sentence, and detention of defendants upon whom the sentence of death has been or may be imposed. The unified review procedure governs both pretrial and posttrial appellate review of death penalty cases.

Subd. 2. [CHECKLISTS.] The supreme court shall establish by rule a series of checklists to be used by the trial court, the prosecuting attorney, and defense counsel before, during, and after

the trial of cases in which the death penalty is sought to make certain that all possible matters that could be raised in defense have been considered by the defendant and defense counsel and either asserted in a timely and correct manner or waived in accordance with applicable legal requirements, so that, for purposes of any pretrial review and the trial and posttrial review, the record and transcript of proceedings will be complete for a review by the sentencing court and the supreme court of all possible challenges to the trial, conviction, sentence, and detention of the defendant.

Subd. 3. [WRIT OF HABEAS CORPUS.] Nothing in this section or in the rules of the supreme court limits or restricts the grounds of review or suspends the rights or remedies available through the procedures governing the writ of habeas corpus.

Sec. 8. [609A.08] [STAY OF EXECUTION OF DEATH.]

Subdivision 1. [GOVERNOR OR APPEAL.] The execution of a death sentence may be stayed only by the governor or incident to an appeal.

Subd. 2. [PROCEEDINGS WHEN INMATE UNDER SENTENCE OF DEATH APPEARS TO BE MENTALLY ILL OR PREGNANT.] When the governor is informed that an inmate under sentence of death may be mentally ill or pregnant, the governor shall stay execution of the sentence and require the sentencing court to order a mental or physical examination of the inmate, as appropriate.

Subd. 3. [EXAMINATION AND HEARING.] (a) If the court orders a mental examination of the inmate, it shall appoint at least one qualified psychiatrist, clinical psychologist, or physician experienced in the field of mental illness to examine the defendant and report on the defendant's mental condition. If the inmate or prosecution has retained a qualified psychiatrist, clinical psychologist, or physician experienced in the field of mental illness, the court on request of the inmate or prosecuting attorney shall direct that the psychiatrist, clinical psychologist, or physician be permitted to observe the mental examination and to conduct a mental examination of the inmate.

(b) At the conclusion of the examination, the examiner shall submit a written report to the court and send copies to the prosecuting attorney and defense attorney. The report must contain a diagnosis of the inmate's mental condition and whether the inmate has the mental capacity to understand the nature of the death penalty and the reasons why it was imposed.

(c) If the court orders a physical examination, it shall appoint a qualified physician to examine the inmate and report on whether the inmate is pregnant.

(d) The hearing shall be scheduled so that the parties have adequate time to prepare and present arguments regarding the issue of mental illness or pregnancy. The parties may submit written arguments to the court before the date of the hearing and may make oral arguments before the court at the sentencing hearing. Before the hearing, the court shall send to the defendant or the defendant's attorney and the prosecuting attorney copies of the mental or physical examination.

Subd. 4. [MENTAL ILLNESS.] (a) If mental illness is the issue and the court decides that the inmate has the mental capacity to understand the nature of the death penalty and why it was imposed, the court shall so inform the governor. The governor shall issue a warrant to the chief executive officer of the maximum security facility where the execution is to be held directing the officer to execute the sentence at a time designated in the warrant.

(b) If the court decides that the inmate does not have the mental capacity to understand the nature of the death penalty and why it was imposed, the court shall so inform the governor. The governor shall have the inmate committed to the St. Peter Regional Treatment Center.

(c) When a person under sentence of death has been committed to the St. Peter Regional Treatment Center, that person shall be kept there until the proper official of the hospital determines that the person has been restored to mental health. The hospital official shall then notify the governor of the official's determination, and the governor shall request the sentencing court to proceed as provided in this section.

Subd. 5. [PREGNANCY.] (a) If the court determines that the inmate is not pregnant, the court shall so tell the governor. The governor shall issue a warrant to the chief executive officer of the maximum security facility where the execution is to be held directing the chief executive officer to execute the sentence at a time designated in the warrant.

(b) If the court determines that the inmate is pregnant, the court shall so tell the governor. The governor shall stay execution of sentence during the pregnancy.

(c) If the court determines that an inmate whose execution has been stayed because of pregnancy is no longer pregnant, the court shall so tell the governor. The governor shall issue a warrant to the chief executive officer directing the chief executive officer to execute the sentence at a time designated in the warrant.

Subd. 6. [FEE.] The court shall allow a reasonable fee to the physician appointed under this section that shall be paid by the state.

Sec. 9. [609A.09] [GOVERNOR'S DUTIES; ISSUANCE OF DEATH WARRANT.]

When notified by the supreme court under section 6 that a death sentence has been upheld, the governor shall issue a death warrant, attach it to a copy of the record, including the trial court's order of execution and the supreme court's affirming opinion, and send it to the chief executive officer of the maximum security facility where the inmate under sentence of death is being held. The warrant must direct that officer to execute the sentence at a time designated in the warrant. When notified by the supreme court under section 6 that a death sentence has been set aside, the governor shall order the commissioner of corrections to remove the inmate under sentence of death from the unit where inmates under sentence of death are confined and reassign the inmate consistent with the supreme court's opinion.

Sec. 10. [609A.10] [COMMISSIONER OF CORRECTIONS; DUTIES; DESIGNATION OF PLACE OF EXECUTION.]

Subdivision 1. [MAXIMUM SECURITY FACILITIES.] The commissioner of corrections shall designate one or more maximum security facilities at which executions of inmates under death sentence will take place. In each maximum security facility designated as a place where executions will take place, the commissioner shall establish and maintain a unit for the segregated confinement of inmates under sentence of death.

Subd. 2. [PLACE OF EXECUTION.] The chief executive officer of a maximum security facility where executions will take place shall provide a suitable and efficient room or place in which executions will be carried out, enclosed from public view, and all implements necessary to executions. The chief executive officer shall select the person to perform executions and the chief executive officer or the officer's designee shall supervise the execution.

Subd. 3. [EXECUTIONER'S IDENTITY; PRIVATE DATA.] Information relating to the identity and compensation of the executioner is private data as defined in section 13.02, subdivision 12. The chief executive officer of the maximum security facility is not required to record the name of an individual acting as an executioner or any information that could identify that individual.

Subd. 4. [REGULATION OF EXECUTION.] The chief executive officer of the maximum security facility holding an execution or a deputy designated by that officer must be present at the execution. The chief executive officer shall set the day for execution within the week designated by the governor in the warrant.

Subd. 5. [WITNESS TO EXECUTION.] Twelve citizens selected by the chief executive officer must witness the execution. The chief

executive officer shall select six representatives of the news media to witness the execution. Counsel for the inmate under sentence of death and members of the clergy requested by the inmate may be present at the execution. All other persons, except correctional facility officers and the executioner, must be excluded during the execution.

Subd. 6. [READING DEATH WARRANT.] The warrant authorizing the execution must be read to the convicted person immediately before death.

Subd. 7. [RETURN OF WARRANT OF EXECUTION ISSUED BY GOVERNOR.] After the death sentence has been executed, the chief executive officer of the maximum security facility where the execution took place shall return to the governor the warrant and a signed statement of the execution. The chief executive officer shall file an attested copy of the warrant and statement with the court administrator that imposed the sentence.

Subd. 8. [SENTENCE OF DEATH UNEXECUTED FOR UNJUSTIFIABLE REASONS.] If a death sentence is not executed because of unjustified failure of the governor to issue a warrant or for any other unjustifiable reason, on application of the attorney general, the supreme court shall issue a warrant directing the sentence to be executed during a week designated in the warrant.

Subd. 9. [RETURN OF WARRANT OF EXECUTION ISSUED BY SUPREME COURT.] After the sentence has been executed under a warrant issued by the supreme court, the chief executive officer shall return to the supreme court the warrant and a signed statement of the execution. The chief executive officer shall file an attested copy of the warrant and statement with the court administrator that imposed the sentence. The chief executive officer shall send to the governor an attested copy of the warrant and statement.

Sec. 11. [609A.11] [COSTS OF EXECUTION; REIMBURSEMENT; ATTORNEY GENERAL ASSISTANCE.]

Subdivision 1. [COSTS.] The state shall reimburse a county for all costs incurred for prosecution of a case involving the death penalty if the crimes for which the defendant is on trial occurred in that county. In a case involving the death penalty, if crimes for which the defendant is on trial occurred in more than one county, the state shall reimburse the county prosecuting the case for one-half of all costs incurred for prosecution.

Subd. 2. [ATTORNEY GENERAL ASSISTANCE.] The attorney general shall assist in the prosecution of cases involving the death penalty when requested to do so by the county prosecuting attorney.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective August 1, 1992, and apply to crimes committed on or after that date. The court shall consider convictions for heinous crimes occurring before, on, or after August 1, 1992, as previous convictions for purposes of sentencing under sections 3 and 4.

ARTICLE 14

TECHNICAL AMENDMENTS

Section 1. Minnesota Statutes 1990, section 243.05, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONAL RELEASE.] Except for a person sentenced to death under article 1, section 4, the commissioner of corrections may parole any person sentenced to confinement in any state correctional facility for adults under the control of the commissioner of corrections, provided that:

(a) no inmate serving a life sentence for committing murder before May 1, 1980, other than murder committed in violation of clause (1) of section 609.185 who has not been previously convicted of a felony shall be paroled without having served 20 years, less the diminution that would have been allowed for good conduct had the sentence been for 20 years;

(b) no inmate serving a life sentence for committing murder before May 1, 1980, who has been previously convicted of a felony or though not previously convicted of a felony is serving a life sentence for murder in the first degree committed in violation of clause (1) of section 609.185 shall be paroled without having served 25 years, less the diminution which would have been allowed for good conduct had the sentence been for 25 years;

(c) any inmate sentenced prior to September 1, 1963, who would be eligible for parole had the inmate been sentenced after September 1, 1963, shall be eligible for parole; and

(d) any new rule or policy or change of rule or policy adopted by the commissioner of corrections which has the effect of postponing eligibility for parole has prospective effect only and applies only with respect to persons committing offenses after the effective date of the new rule or policy or change. Upon being paroled and released, an inmate is and remains in the legal custody and under the control of the commissioner, subject at any time to be returned to a facility of the department of corrections established by law for the confinement or treatment of convicted persons and the parole rescinded by the commissioner. The written order of the commissioner of correc-

tions, is sufficient authority for any peace officer or state parole and probation agent to retake and place in actual custody any person on parole or supervised release, but any state parole and probation agent may, without order of warrant, when it appears necessary in order to prevent escape or enforce discipline, take and detain a parolee or person on supervised release or work release to the commissioner for action. The written order of the commissioner of corrections is sufficient authority for any peace officer or state parole and probation agent to retake and place in actual custody any person on probation under the supervision of the commissioner pursuant to section 609.135, but any state parole and probation agent may, without an order, when it appears necessary in order to prevent escape or enforce discipline, retake and detain a probationer and bring the probationer before the court for further proceedings under section 609.14. Persons conditionally released, and those on probation under the supervision of the commissioner of corrections pursuant to section 609.135 may be placed within or outside the boundaries of the state at the discretion of the commissioner of corrections or the court, and the limits fixed for these persons may be enlarged or reduced according to their conduct.

In considering applications for conditional release or discharge, the commissioner is not required to hear oral argument from any attorney or other person not connected with an adult correctional facility of the department of corrections in favor of or against the parole or release of any inmates, but the commissioner may institute inquiries by correspondence, taking testimony or otherwise, as to the previous history, physical or mental condition, and character of the inmate, and to that end shall have authority to require the attendance of the chief executive officer of any state adult correctional facility and the production of the records of these facilities, and to compel the attendance of witnesses. The commissioner is authorized to administer oaths to witnesses for these purposes.

Sec. 2. Minnesota Statutes 1990, section 609.10, is amended to read:

609.10 [SENTENCES AVAILABLE.]

Upon conviction of a felony and compliance with the other provisions of this chapter and chapter 609A the court, if it imposes sentence, may sentence the defendant to the extent authorized by law as follows:

(1) to death; or

(2) to life imprisonment; or

~~(2)~~ (3) to imprisonment for a fixed term of years set by the court; or

~~(3)~~ (4) to both imprisonment for a fixed term of years and payment of a fine; or

~~(4)~~ (5) to payment of a fine without imprisonment or to imprisonment for a fixed term of years if the fine is not paid; or

~~(5)~~ (6) to payment of court-ordered restitution in addition to either imprisonment or payment of a fine, or both.

Sec. 3. Minnesota Statutes 1990, section 609.12, subdivision 1, is amended to read:

Subdivision 1. A person sentenced to the commissioner of corrections for imprisonment for a period less than life may be paroled or discharged at any time without regard to length of the term of imprisonment which the sentence imposes when in the judgment of the commissioner of corrections, and under the conditions the commissioner imposes, the granting of parole or discharge would be most conducive to rehabilitation and would be in the public interest. A person sentenced to death is not eligible for supervised release or discharge at any time.

Sec. 4. Minnesota Statutes 1990, section 609.135, subdivision 1, is amended to read:

Subdivision 1. [TERMS AND CONDITIONS.] Except when a sentence of death has been imposed under chapter 609A, a life ~~imprisonment~~ sentence is required ~~by law~~ under section 609.185 or 609.19, or ~~when~~ a mandatory minimum term of imprisonment is required by section 609.11, any court may stay imposition or execution of sentence and (a) may order intermediate sanctions without placing the defendant on probation, or (b) may place the defendant on probation with or without supervision and on the terms the court prescribes, including intermediate sanctions when practicable. The court may order the supervision to be under the probation officer of the court, or, if there is none and the conviction is for a felony or gross misdemeanor, by the commissioner of corrections, or in any case by some other suitable and consenting person. No intermediate sanction may be ordered performed at a location that fails to observe applicable requirements or standards of chapter 181A or 182, or any rule promulgated under them. For purposes of this subdivision, subdivision 6, and section 609.14, the term "intermediate sanctions" includes but is not limited to incarceration in a local jail or workhouse, home detention, electronic monitoring, intensive probation, sentencing to service, reporting to a day reporting center, chemical dependency or mental health treatment or counseling, restitution, fines, day-fines, community work service, and work in lieu of or to work off fines.

A court may not stay the revocation of the driver's license of a person convicted of violating the provisions of section 169.121.

Sec. 5. Minnesota Statutes 1990, section 609.185, is amended to read:

609.185 [MURDER IN THE FIRST DEGREE.]

Whoever does any of the following is guilty of murder in the first degree and, unless sentenced to death under article 1, section 4, shall be sentenced to imprisonment for life:

(1) causes the death of a human being with premeditation and with intent to effect the death of the person or of another;

(2) causes the death of a human being while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting the person or another;

(3) causes the death of a human being with intent to effect the death of the person or another, while committing or attempting to commit burglary, aggravated robbery, kidnapping, arson in the first or second degree, tampering with a witness in the first degree, escape from custody, or any felony violation of chapter 152 involving the unlawful sale of a controlled substance;

(4) causes the death of a peace officer or a guard employed at a Minnesota state correctional facility, with intent to effect the death of that person or another, while the peace officer or guard is engaged in the performance of official duties;

(5) causes the death of a minor under circumstances other than those described in clause (1) or (2) while committing child abuse, when the perpetrator has engaged in a past pattern of child abuse upon the child and the death occurs under circumstances manifesting an extreme indifference to human life; or

(6) causes the death of a human being under circumstances other than those described in clause (1), (2), or (5) while committing domestic abuse, when the perpetrator has engaged in a past pattern of domestic abuse upon the victim and the death occurs under circumstances manifesting an extreme indifference to human life.

For purposes of clause (5), "child abuse" means an act committed against a minor victim that constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.342, 609.343, 609.344, 609.345, 609.377, or 609.378.

For purposes of clause (6), "domestic abuse" means an act that:

(1) constitutes a violation of section 609.221, 609.222, or 609.223; and

(2) is committed against the victim who is a family or household member as defined in section 518B.01, subdivision 2, paragraph (b).

Sec. 6. Minnesota Statutes 1991 Supplement, section 611.25, is amended by adding a subdivision to read:

Subd. 4. [CAPITAL CASE REPRESENTATION.] The state public defender shall establish a division within the office to handle capital cases. The state public defender shall represent all defendants sentenced to death under article 1, section 4, who cannot retain competent counsel.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective August 1, 1992, and apply to crimes committed on or after that date."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

PREVIOUS QUESTION

Boo moved the previous question and the motion was properly seconded. The motion prevailed and the previous question was so ordered on the Uphus et al amendment.

The question recurred on the Uphus et al amendment and the roll was called. There were 25 yeas and 108 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Henry	Krambeer	Omann	Stanius
Bertram	Hufnagle	Limmer	Pellow	Steensma
Bettermann	Hugoson	Marsh	Schafer	Uphus
Goodno	Jennings	Nelson, S.	Schreiber	Valento
Heir	Koppendrayer	Newinski	Sparby	Waltman

Those who voted in the negative were:

Abrams	Beard	Boo	Cooper	Dille
Anderson, I.	Begich	Brown	Dauner	Dorn
Anderson, R. H.	Bishop	Carlson	Davids	Erhardt
Battaglia	Blatz	Carruthers	Dawkins	Farrell
Bauerly	Bodahl	Clark	Dempsey	Frederick

Frerichs	Johnson, V.	McPherson	Pauly	Sviggum
Garcia	Kahn	Milbert	Pelowski	Swenson
Girard	Kalis	Morrison	Peterson	Tompkins
Greenfield	Kelso	Munger	Pugh	Trimble
Gruenes	Kinkel	Murphy	Reding	Tunheim
Gutknecht	Knickerbocker	Nelson, K.	Rest	Vanasek
Hanson	Krinkie	O'Connor	Rice	Vellenga
Hartle	Krueger	Ogren	Rodosovich	Wagenius
Hasskamp	Lasley	Olsen, S.	Rukavina	Weaver
Haukoos	Leppik	Olson, E.	Runbeck	Wejcman
Hausman	Lieder	Olson, K.	Sarna	Welker
Jacobs	Lourey	Onnen	Seaberg	Welle
Janezich	Lynch	Orenstein	Segal	Wenzel
Jaros	Macklin	Orfield	Simoneau	Winter
Jefferson	Mariani	Osthoff	Skoglund	Spk. Long
Johnson, A.	McEachern	Ostrom	Smith	
Johnson, R.	McGuire	Ozment	Solberg	

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

H. F. No. 1849, A bill for an act relating to crime; anti-violence education, prevention and treatment; increasing penalties for repeat sex offenders; providing for life imprisonment for certain repeat sex offenders; providing for life imprisonment without parole for certain persons convicted of first degree murder; increasing penalties for other violent crimes and crimes committed against children; increasing supervision of sex offenders; providing a fund for sex offender treatment; eliminating the "good time" reduction in prison sentences; allowing the extension of prison terms for disciplinary violations in prison; authorizing the commissioner of corrections to establish a "boot camp" program; authorizing the imposition of fees for local correctional services on offenders; requiring the imposition of minimum fines on convicted offenders; providing for HIV testing of certain sex offenders; expanding certain crime victim rights; providing programs for victim-offender mediation; enhancing protection of domestic abuse victims; authorizing secure confinement of dangerous juvenile offenders; creating a civil cause of action for minors used in a sexual performance; providing for a variety of anti-violence education, prevention, and treatment programs; authorizing the issuance of state bonds for a variety of projects; appropriating money; amending Minnesota Statutes 1990, sections 13.87, subdivision 2; 72A.20, by adding a subdivision; 121.882, by adding a subdivision; 127.46; 135A.15; 241.021, by adding a subdivision; 241.67, subdivisions 1, 2, 3, 6, and by adding a subdivision; 242.19, subdivision 2; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 245.4871, by adding a subdivision; 254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision; 259.11; 260.151, subdivision 1; 260.155, subdivision 1, and by adding a subdivision; 260.172, by adding a subdivision; 260.181, by adding a subdivision; 260.185, subdivisions 1 and 4; 260.311, by adding a subdivision; 270A.03, subdivision 5; 299A.37; 299A.40, subdivision 3; 332.51, subdivisions 1 and 5; 401.02, subdivision 4; 485.018, subdivision 5; 518B.01, subdivisions

7 and 13; 546.27, subdivision 1; 595.02, subdivision 4; 609.02, by adding a subdivision; 609.10; 609.101, by adding a subdivision; 609.115, subdivision 1a; 609.125; 609.135, subdivision 5, and by adding subdivisions; 609.1352, subdivisions 1 and 5; 609.152, subdivisions 2 and 3; 609.184, subdivision 2; 609.19; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.322; 609.323; 609.342; 609.343; 609.344, subdivisions 1 and 3; 609.345, subdivisions 1 and 3; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.3471; 609.378, subdivision 1, and by adding a subdivision; 609.40, subdivision 1; 609.605, by adding a subdivision; 609.747, subdivision 2; 611A.03, subdivision 1; 611A.52, subdivision 8; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 629.72, by adding a subdivision; 630.36, subdivision 1, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 3.873, subdivisions 1, 5, 7, and by adding a subdivision; 8.15; 121.882, subdivision 2; 124A.29, subdivision 1; 126.70, subdivisions 1 and 2a; 243.166, subdivisions 1, 2, and 3; 244.05, subdivision 6; 244.12, subdivision 3; 245.484; 245.4884, subdivision 1; 299A.30; 299A.31, subdivision 1; 299A.32, subdivisions 2 and 2a; 299A.36; 518B.01, subdivisions 3a, 6, and 14; 609.135, subdivision 2; Laws 1991, chapter 232, section 5; proposing coding for new law in Minnesota Statutes, chapters 126; 145; 145A; 169; 241; 244; 256; 256F; 260; 299A; 609; 611A; 617; and 629.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kinkel	O'Connor	Simoneau
Anderson, I.	Frederick	Knickerbocker	Olsen, S.	Skoglund
Anderson, R.	Frerichs	Koppendrayer	Olson, E.	Smith
Anderson, R. H.	Garcia	Krambeer	Olson, K.	Solberg
Battaglia	Girard	Krinkie	Omann	Sparby
Bauerly	Goodno	Krueger	Onnen	Stanius
Beard	Greenfield	Lasley	Orenstein	Steensma
Begich	Gruenes	Leppik	Orfield	Sviggum
Bertram	Gutknecht	Lieder	Osthoff	Swenson
Bettermann	Hanson	Limmer	Ostrom	Thompson
Bishop	Hartle	Lourey	Ozment	Tompkins
Blatz	Hasskamp	Lynch	Pauly	Trimble
Bodahl	Haukoos	Macklin	Pellow	Tunheim
Boo	Heir	Mariani	Pelowski	Uphus
Brown	Henry	Marsh	Peterson	Valento
Carlson	Hufnagle	McEachern	Pugh	Vellenga
Carruthers	Hugoson	McGuire	Reding	Wagenius
Clark	Jacobs	McPherson	Rest	Waltman
Cooper	Jefferson	Milbert	Rodosovich	Weaver
Dauner	Jennings	Morrison	Runbeck	Wejcman
Davids	Johnson, A.	Munger	Sarna	Welker
Dempsey	Johnson, R.	Murphy	Schafer	Welle
Dille	Johnson, V.	Nelson, K.	Schreiber	Wenzel
Dorn	Kalis	Nelson, S.	Seaberg	Winter
Erhardt	Kelso	Newinski	Segal	Spk. Long

Those who voted in the negative were:

Dawkins	Janezich	Kahn	Rice	Vanasek
Hausman	Jaros	Ogren	Rukavina	

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

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2800, A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 43A.316, by adding a subdivision; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62E.11, by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; and 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A; 62A; 62E; 62J; 136A; 137; 144; 144A; 256; 256B; 295; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 62A.02, subdivisions 4 and 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

COST CONTAINMENT

Section 1. [62J.03] [DEFINITIONS.]

Subdivision 1. [SCOPE OF DEFINITIONS.] For purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. [COMMISSION.] "Commission" or "state commission" means the Minnesota health care commission established in section 62J.05.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 4. [GROUP PURCHASER.] "Group purchaser" means a person or organization that purchases health care services on behalf of an identified group of persons, regardless of whether the cost of coverage or services is paid for by the purchaser or by the persons receiving coverage or services, as further defined in rules adopted by the commissioner. "Group purchaser" includes, but is not limited to, health insurance companies, health maintenance organizations and other health plan companies; employee health plans offered by self-insured employers; group health coverage offered by fraternal organizations, professional associations, or other organizations; state and federal health care programs; state and local public employee health plans; workers' compensation plans; and the medical component of automobile insurance coverage.

Subd. 5. [PROVIDER.] "Provider" or "health care provider" means a person or organization other than a nursing home that provides health care or medical care services within Minnesota for a fee, as further defined in rules adopted by the commissioner.

Sec. 2. [62J.04] [CONTROLLING THE RATE OF GROWTH OF HEALTH CARE SPENDING.]

Subdivision 1. [COMPREHENSIVE BUDGET.] The commissioner of health shall set an annual limit on the rate of growth of public and private spending on health care services for Minnesota residents. The limit on growth must be set at a level that will slow the current rate of growth by at least ten percent per year using the spending growth rate for 1991 as a base year. This limit must be achievable through good faith, cooperative efforts of health care consumers, purchasers, and providers.

Subd. 2. [DATA COLLECTION.] For purposes of setting limits under this section, the commissioner shall collect from all Minnesota health care providers data on gross patient revenues received during a time period specified by the commissioner. The commissioner shall also collect data on health care spending from all group purchasers of health care. All health care providers and group purchasers doing business in the state shall provide the data requested by the commissioner at the times and in the form specified by the commissioner. All data received is nonpublic, trade secret information under section 13.37. The commissioner shall establish procedures and safeguards to ensure that data provided to the Minnesota health care commission is in a form that does not identify individual patients, providers, employers, purchasers, or other indi-

viduals and organizations, except with the permission of the affected individual or organization.

Subd. 3. [COST CONTAINMENT DUTIES.] After obtaining the advice and recommendations of the Minnesota health care commission, the commissioner shall:

(1) establish statewide and regional limits on growth in total health care spending under this section, monitor regional and statewide compliance with the spending limits, and take action to achieve compliance to the extent authorized by the legislature;

(2) divide the state into no fewer than four regions for purposes of setting regional spending limits and coordinating regional health care systems;

(3) provide technical assistance to regional coordinating boards;

(4) monitor the quality of health care throughout the state, conduct consumer satisfaction surveys, and take action as necessary to ensure an appropriate level of quality;

(5) develop uniform billing forms, uniform electronic billing procedures, and other uniform claims procedures for health care providers by January 1, 1993;

(6) undertake health planning responsibilities as provided in section 62J.15;

(7) monitor and promote the development and implementation of practice standards;

(8) authorize, fund, or promote research and experimentation on new technologies and health care procedures;

(9) designate centers of excellence for specialized and high-cost procedures and treatment and establish minimum standards and requirements for particular procedures or treatment;

(10) administer or contract for statewide consumer education and wellness programs that will improve the health of Minnesotans and increase individual responsibility relating to personal health and the delivery of health care services;

(11) administer the health care analysis unit under article 7; and

(12) undertake other activities to monitor and oversee the delivery of health care services in Minnesota with the goal of improving affordability, quality, and accessibility of health care for all Minnesotans.

Subd. 4. [CONSULTATION WITH THE COMMISSION.] Before undertaking any of the duties required under this chapter, the commissioner of health shall consult with the Minnesota health care commission and obtain the commission's advice and recommendations. If the commissioner intends to depart from the commission's recommendations, the commissioner shall inform the commission of the intended departure, provide a written explanation of the reasons for the departure, and give the commission an opportunity to comment on the intended departure. If, after receiving the commission's comment, the commissioner still intends to depart from the commission's recommendations, the commissioner shall notify each member of the legislative oversight commission of the commissioner's intent to depart from the recommendations of the Minnesota health care commission. The notice to the legislative oversight commission must be provided at least ten days before the commissioner takes final action. If emergency action is necessary that does not allow the commissioner to obtain the advice and recommendations of the Minnesota health care commission or to provide advance notice and an opportunity for comment as required in this subdivision, the commissioner shall provide a written notice and explanation to the Minnesota health care commission and the legislative oversight commission at the earliest possible time.

Subd. 5. [APPEALS.] A person or organization may appeal a decision of the commissioner through a contested case proceeding under chapter 14.

Subd. 6. [RULEMAKING.] The commissioner shall adopt rules under chapter 14 to implement this chapter.

Subd. 7. [PLAN FOR CONTROLLING GROWTH IN SPENDING.] (a) By January 15, 1993, the Minnesota health care commission shall submit to the legislature and the governor for approval a detailed plan for slowing the growth in health care spending to the growth rate identified by the commission, beginning July 1, 1993. The goal of the plan shall be to reduce the growth rate of health care spending, adjusted for population changes, so that it declines by at least ten percent per year for each of the next five years. The commission shall use the rate of spending growth in 1991 as the base year for developing its plan. The plan may include tentative targets for reducing the growth in spending for consideration by the legislature.

(b) In developing the plan, the commission shall consider the advisability and feasibility of the following options, but is not obligated to incorporate them into the plan:

(1) data and methods that could be used to calculate regional and statewide spending limits and the various options for expressing spending limits, such as maximum percentage growth rates or

actuarially adjusted average per capita rates that reflect the demographics of the state or a region of the state;

(2) methods of adjusting spending limits to account for patients who are not Minnesota residents, to reflect care provided to a person outside the person's region, and to adjust for demographic changes over time;

(3) methods that could be used to monitor compliance with the limits;

(4) criteria for exempting spending on research and experimentation on new technologies and medical practices when setting or enforcing spending limits;

(5) methods that could be used to help providers, purchasers, consumers, and communities control spending growth;

(6) methods of identifying activities of consumers, providers, or purchasers that contribute to excessive growth in spending;

(7) methods of encouraging voluntary activities that will help keep spending within the limits;

(8) methods of consulting providers and obtaining their assistance and cooperation and safeguards that are necessary to protect providers from abrupt changes in revenues or practice requirements;

(9) methods of avoiding, preventing, or recovering spending in excess of the rate of growth identified by the commission;

(10) methods of depriving those who benefit financially from overspending of the benefit of overspending, including the option of recovering the amount of the excess spending from the greater provider community or from individual providers or groups of providers through targeted assessments;

(11) methods of reallocating health care resources among provider groups to correct existing inequities, reward desirable provider activities, discourage undesirable activities, or improve the quality, affordability, and accessibility of health care services;

(12) methods of imposing mandatory requirements relating to the delivery of health care, such as practice standards, hospital admission protocols, 24-hour emergency care screening systems, or designated specialty providers;

(13) methods of preventing unfair health care practices that give a provider or group purchaser an unfair advantage or financial benefit

or that significantly circumvent, subvert, or obstruct the goals of this chapter;

(14) methods of providing incentives through special spending allowances or other means to encourage and reward special projects to improve outcomes or quality of care;

(15) the advisability or feasibility of a system of permanent, regional coordinating boards to ensure community involvement in activities to improve affordability, accessibility, and quality of health care in each region; and

(16) a report to the legislature on the advisability or feasibility of conditioning the adoption of new technologies or procedures or major capital expenditures on the approval of the state health care commission or some other review body.

Sec. 3. [62J.05] [MINNESOTA HEALTH CARE COMMISSION.]

Subdivision 1. [PURPOSE OF THE COMMISSION.] The Minnesota health care commission consists of health care providers, purchasers, consumers, employers, and employees. The two major functions of the commission are:

(1) to make recommendations to the commissioner of health and the legislature regarding statewide and regional limits on the rate of growth of health care spending and activities to prevent or address spending in excess of the limits; and

(2) to help Minnesota communities, providers, group purchasers, employers, employees, and consumers improve the affordability, quality, and accessibility of health care.

Subd. 2. [MEMBERSHIP.] (a) [NUMBER.] The Minnesota health care commission consists of 26 members, as specified in this subdivision. A member may designate a representative to act as a member of the commission in the member's absence.

(b) [HEALTH PLAN COMPANIES.] The commission includes four members representing health plan companies, including one member appointed by the Minnesota Council of Health Maintenance Organizations, one member appointed by the Insurance Federation of Minnesota, one member appointed by Blue Cross and Blue Shield of Minnesota, and one member appointed by the governor.

(c) [HEALTH CARE PROVIDERS.] The commission includes six members representing health care providers, including two members appointed by the Minnesota Hospital Association, one of whom represents rural hospital administrators and one of whom represents urban hospital administrators, two members appointed by the

Minnesota Medical Association, one of whom practices in a rural area of the state and one of whom practices in an urban area, one member appointed by the Minnesota Nurses' Association, and two members appointed by the governor to represent providers other than hospitals, physicians, and nurses.

(d) [EMPLOYERS.] The commission includes four members representing employers, including two members appointed by the Minnesota Chamber of Commerce, including one self-insured employer and one small employer, and two members appointed by the governor.

(e) [CONSUMERS.] The commission includes five consumer members with no financial interest in the health care system, including three members appointed by the governor, one of whom must be a senior; one appointed under the rules of the senate; and one appointed under the rules of the house of representatives.

(f) [EMPLOYEE UNIONS.] The commission includes three representatives of labor unions, including two appointed by the AFL-CIO Minnesota and one appointed by the governor to represent other unions.

(g) [STATE AGENCIES.] The commission includes the commissioners of commerce, employee relations, and human services.

(h) [CHAIR.] The governor shall designate the chair of the commission from among the governor's appointees.

Subd. 3. [CONFLICTS OF INTEREST.] No member of the commission may participate or vote in commission proceedings involving an individual provider, purchaser, or patient, or a specific activity or transaction, if the commission member has a direct financial interest in the outcome of the commission's proceedings.

Subd. 4. [IMMUNITY FROM LIABILITY.] Members of the commission and persons employed by the commissioner are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter, provided the members or persons are acting in good faith.

Subd. 5. [TERMS; COMPENSATION; REMOVAL; AND VACANCIES.] The commission is governed by section 15.0575.

Subd. 6. [ADMINISTRATION.] The commissioner of health shall provide office space, equipment and supplies, and technical support to the commission.

Subd. 7. [STAFF.] The commission may hire an executive director

who serves in the unclassified service. The executive director may hire employees and consultants as authorized by the commission and may prescribe their duties. The attorney general shall provide legal services to the commission.

Sec. 4. [62J.07] [LEGISLATIVE OVERSIGHT COMMISSION.]

The legislative commission on health care access reviews the activities of the commissioner of health, the state health care commission, and all other state agencies involved in the implementation and administration of this chapter, including efforts to obtain federal approval through waivers and other means. The legislative commission on health care access consists of five members of the senate appointed under the rules of the senate and five members of the house of representatives appointed under the rules of the house of representatives. The legislative commission on health care access must include three members of the majority party and two members of the minority party in each house. The commissioner of health and the Minnesota health care commission shall report on their activities and the activities of the regional boards annually and at other times at the request of the legislative commission on health care access.

Sec. 5. [62J.09] [REGIONAL COORDINATING BOARDS.]

Subdivision 1. [GENERAL DUTIES.] The regional coordinating boards are locally controlled boards consisting of providers, health plan companies, employers, consumers, and elected officials. Regional boards may:

(1) recommend that the commissioner sanction agreements between providers in the region that will improve quality, access, or affordability of health care but might constitute a violation of antitrust laws if undertaken without government direction;

(2) make recommendations to the commissioner regarding major capital expenditures or the introduction of expensive new technologies and medical practices that are being proposed or considered by providers;

(3) undertake voluntary activities to educate consumers, providers, and purchasers or to promote voluntary, cooperative community cost containment, access, or quality of care projects;

(4) make recommendations to the commissioner regarding ways of improving affordability, accessibility, and quality of health care in the region and throughout the state.

Subd. 2. [MEMBERSHIP.] (a) Each regional health care management board consists of 16 members as provided in this subdivision.

A member may designate a representative to act as a member of the commission in the member's absence.

(b) [PROVIDER REPRESENTATIVES.] Each regional board must include four members representing health care providers who practice in the region. One member is appointed by the Minnesota Medical Association. One member is appointed by the Minnesota Hospital Association. One member is appointed by the Minnesota Nurses' Association. The remaining member is appointed by the governor to represent providers other than physicians, hospitals, and nurses.

(c) [HEALTH PLAN COMPANY REPRESENTATIVES.] Each regional board includes three members representing health plan companies who provide coverage for residents of the region, including one member representing health insurers who is elected by a vote of all health insurers providing coverage in the region, one member elected by a vote of all health maintenance organizations providing coverage in the region, and one member appointed by Blue Cross and Blue Shield of Minnesota. The fourth member is appointed by the governor.

(d) [EMPLOYER REPRESENTATIVES.] Regional boards include three members representing employers in the region. Employer representatives are elected by a vote of the employers who are members of chambers of commerce in the region. At least one member must represent self-insured employers.

(e) [EMPLOYEE UNIONS.] Regional boards include one member appointed by the AFL-CIO Minnesota who is a union member residing or working in the region or who is a representative of a union that is active in the region.

(f) [PUBLIC MEMBERS.] Regional boards include three consumer members with no financial interest in the health care system. One consumer member is elected by the community health boards in the region, with each community health board having one vote. One consumer member is elected by the state legislators with districts in the region. One consumer member is appointed by the governor.

(g) [COUNTY COMMISSIONER.] Regional boards include one member who is a county board member. The county board member is elected by a vote of all of the county board members in the region, with each county board having one vote.

(h) [STATE AGENCY.] Regional boards include one state agency commissioner appointed by the governor to represent state health coverage programs.

Subd. 3. [TECHNICAL ASSISTANCE.] The state health care commission shall provide technical assistance to regional boards.

Subd. 4. [TERMS; COMPENSATION; REMOVAL; AND VACANCIES.] Regional coordinating boards are governed by section 15.0575, except that members do not receive per diem payments.

Subd. 5. [REPEALER.] This section is repealed effective July 1, 1993.

Sec. 6. [62J.15] [HEALTH PLANNING.]

Subdivision 1. [HEALTH PLANNING ADVISORY COMMITTEE.] (a) The state health care commission shall convene an advisory committee to make recommendations regarding the use and distribution of new and existing health care technologies and procedures and major capital expenditures by providers. The advisory committee may include members of the state commission and other persons appointed by the commission. The advisory committee must include at least one person representing physicians, at least one person representing hospitals, and at least one person representing the health care technology industry. Health care technologies and procedures include high-cost pharmaceuticals, organ and other transplants, health care procedures and devices, and expensive, large-scale technologies such as scanners and imagers.

Subd. 2. [HEALTH PLANNING.] In consultation with the health planning advisory committee, the Minnesota health care commission shall:

(1) develop criteria for evaluating new health care technology and procedures and major capital expenditures that take into consideration the effectiveness and value of the new technology, procedure, or capital expenditure in relation to the cost impact on consumers and payors;

(2) recommend to the commissioner of health and the regional boards statewide and regional goals and targets for the distribution and use of new and existing health care technologies and procedures and major capital expenditures;

(3) make recommendations to the commissioner regarding the designation of centers of excellence for transplants and other specialized medical procedures; and

(4) make recommendations to the commissioner regarding minimum volume requirements for the performance of certain procedures by hospitals and other health care facilities or providers.

Sec. 7. [62J.17] [TEMPORARY MORATORIUM ON MAJOR CAP-

ITAL EXPENDITURES AND THE INTRODUCTION OF NEW SPECIALIZED SERVICES; EXCEPTIONS.]

Subdivision 1. [HOSPITAL AND NURSING HOME MORATORIA PRESERVED.] Nothing in this section supersedes or limits the applicability of section 144.551 or 144A.071.

Subd. 2. [SEVERABILITY IF REVIEW PROCESS CHALLENGED.] The legislature intends that, if the exception review process in subdivisions 4 and 5 is enjoined or invalidated by a court, the moratorium in subdivision 3 is severable from the exception review process and must be construed to stand alone without a process for approving exceptions.

Subd. 3. [REPORT AND RECOMMENDATIONS.] The Minnesota health care commission, in consultation with the health planning advisory committee and regional coordinating boards, shall submit recommendations to the legislature by January 15, 1993, for a permanent strategy to ensure that major spending commitments are appropriate in terms of the accessibility, affordability, and quality of health care in Minnesota.

Sec. 8. [62J.19] [PARTICIPATION OF FEDERAL PROGRAMS.]

The commissioner of health shall seek the full participation of federal health care programs under this chapter, including Medicare, medical assistance, veterans administration programs, and other federal programs. The commissioner of human services shall under the direction of the health care commission submit waiver requests and take other action necessary to obtain federal approval to allow participation of the medical assistance program. Other state agencies shall provide assistance at the request of the commission. If federal approval is not given for one or more federal programs, data on the amount of health care spending that is collected under section 62J.04 shall be adjusted so that state and regional spending limits take into account the failure of the federal program to participate.

Sec. 9. [62J.23] [PROVIDER CONFLICTS OF INTEREST.]

Subdivision 1. [RULES PROHIBITING CONFLICTS OF INTEREST.] The commissioner of health shall adopt rules restricting financial relationships or payment arrangements involving health care providers under which a provider benefits financially by referring a patient to another provider, recommending another provider, or furnishing or recommending an item or service. The rules must be compatible with, and no less restrictive than, the federal Medicare antikickback statute, in section 1128B(b) of the Social Security Act, United States Code, title 42, section 1320a-7b(b), and regulations adopted under it. However, the commissioner's rules may be more restrictive than the federal law and regulations and may apply to additional provider groups and business and professional arrange-

ments except that the commissioner shall provide exemptions for group practices and salaried physicians in the same manner as under the federal Medicare antikickback statute and the regulations adopted under it. When the state rules restrict an arrangement or relationship that is permissible under federal laws and regulations, including an arrangement or relationship expressly permitted under the federal safe harbor regulations, the fact that the state requirement is more restrictive than federal requirements must be clearly stated in the rule.

Subd. 2. [PROHIBITED RELATIONSHIPS AND PRACTICES.] At a minimum, rules adopted under this subdivision must prohibit:

(1) referrals to another provider in which the referring provider has a significant financial interest;

(2) furnishing or arranging for the furnishing of an item or service in which the provider has a significant financial interest; and

(3) offering or paying, or soliciting or receiving, any remuneration, directly or indirectly, in return for referring a person to a provider or for providing or recommending an item or service.

Subd. 3. [PRINCIPAL CRITERIA FOR RESTRICTIONS.] In adopting and enforcing rules under this subdivision, the commissioner must consider whether the relationship or arrangement creates a risk that the financial interests of a provider will influence the provider's health care decisions about a particular patient or that the relationship or arrangement is likely to be perceived by the provider's patients or by the community as likely to influence a provider's health care decision making.

Subd. 4. [INTERIM RESTRICTIONS.] From July 1, 1992, until rules are adopted by the commissioner under this subdivision, the restrictions in the federal Medicare antikickback statutes in section 1128B(b) of the Social Security Act, United States Code, title 42, section 1320a-7b(b), and rules adopted under the federal statutes, apply to all health care providers in the state, regardless of whether the provider participates in any state or federal health care program. The commissioner may approve a transition plan submitted by a provider who is in violation of this paragraph to the commission by January 1, 1992, that provides a reasonable time for the provider to modify prohibited practices or divest financial interests in other providers in order to come into compliance with this subdivision.

Sec. 10. [62J.25] [MANDATORY MEDICARE ASSIGNMENT.]

Effective January 1, 1993, a health care provider authorized to participate in the Medicare program shall not charge to or collect from a Medicare beneficiary who is a Minnesota resident any

amount in excess of the Medicare-approved amount for any Medicare-covered service provided. This section does not apply to services provided by providers licensed under section 144.802.

Sec. 11. [62J.27] [MALPRACTICE PROTECTION FOR PROVIDERS.]

(a) The commissioner of health, after receiving the advice and recommendations of the Minnesota health care commission and the health care analysis unit, may approve practice parameters as defined in section 62J.30, subdivision 1, in order to minimize unnecessary, unproven, or ineffective care. The approval of practice parameters is not subject to the requirements of chapter 14.

(b) Adherence by a provider to a practice parameter approved by the commissioner of health is clear and convincing evidence in defense of a claim for medical malpractice.

(c) Paragraph (b) applies to claims arising on or after August 1, 1993, or 90 days after the effective date of approval of the practice parameters by the commissioner.

Sec. 12. [62J.29] [ANTITRUST EXCEPTIONS.]

The commissioner shall establish criteria and procedures for sanctioning contracts, business or financial arrangements, or other activities or practices involving providers or purchasers that might be construed to be violations of state or federal antitrust laws but which are in the best interests of the state of Minnesota and further the policies and goals of this chapter. Notwithstanding the Minnesota antitrust law of 1971, as amended, in Minnesota Statutes, sections 325D.49 to 325D.66, contracts, business or financial arrangements, or other activities or practices that are expressly sanctioned by the commissioner do not constitute an unlawful contract, combination, or conspiracy in unreasonable restraint of trade or commerce under Minnesota Statutes, sections 325D.49 to 325D.66. Approval by the commissioner is a defense against any action under state antitrust laws. The commissioner is exempt from rulemaking until January 1, 1994, for purposes of establishing criteria and procedures under this section.

ARTICLE 2

SMALL EMPLOYER INSURANCE REFORM

Section 1. [62L.01] [CITATION.]

Subdivision 1. [POPULAR NAME.] Sections 62L.01 to 62L.23 may be cited as the Minnesota small employer health benefit act.

Subd. 2. [JURISDICTION.] Sections 62L.01 to 62L.23 apply to any health carrier that offers, issues, delivers, or renews a health benefit plan to a small employer.

Subd. 3. [LEGISLATIVE FINDINGS AND PURPOSE.] The legislature finds that underwriting and rating practices in the individual and small employer markets for health coverage create substantial hardship and unfairness, create unnecessary administrative costs, and adversely affect the health of residents of this state. The legislature finds that the premium restrictions provided by this chapter reduce but do not eliminate these harmful effects. Accordingly, the legislature declares its desire to phase out the remaining rating bands as quickly as possible, with the end result of eliminating all rating practices based on risk by July 1, 1997.

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

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 62L.01 to 62L.23.

Subd. 2. [ACTUARIAL OPINION.] "Actuarial opinion" means a written statement by a member of the American Academy of Actuaries that a health carrier is in compliance with this chapter, based on the person's examination, including a review of the appropriate records and of the actuarial assumptions and methods utilized by the health carrier in establishing premium rates for health benefit plans.

Subd. 3. [ASSOCIATION.] "Association" means the health coverage reinsurance association.

Subd. 4. [BASE PREMIUM RATE.] "Base premium rate" means as to a rating period, the lowest premium rate charged or which could have been charged under the rating system by the health carrier to small employers for health benefit plans with the same or similar coverage.

Subd. 5. [BOARD OF DIRECTORS.] "Board of directors" means the board of directors of the health coverage reinsurance association.

Subd. 6. [CASE CHARACTERISTICS.] "Case characteristics" means the relevant characteristics of a small employer, as determined by a health carrier in accordance with this chapter, which are considered by the carrier in the determination of premium rates for the small employer.

Subd. 7. [COINSURANCE.] "Coinsurance" means an established dollar amount or percentage of health care expenses that an eligible employee or dependent is required to pay directly to a provider of

medical services or supplies under the terms of a health benefit plan.

Subd. 8. [COMMISSIONER.] "Commissioner" means the commissioner of commerce for health carriers subject to the jurisdiction of the department of commerce or the commissioner of health for health carriers subject to the jurisdiction of the department of health, or the relevant commissioner's designated representative.

Subd. 9. [CONTINUOUS COVERAGE.] "Continuous coverage" means the maintenance of continuous and uninterrupted qualifying prior coverage by an eligible employee or dependent. An eligible employee or dependent is considered to have maintained continuous coverage if the individual requests enrollment in a health benefit plan within 30 days of termination of the qualifying prior coverage.

Subd. 10. [DEDUCTIBLE.] "Deductible" means the amount of health care expenses an eligible employee or dependent is required to incur before benefits are payable under a health benefit plan.

Subd. 11. [DEPENDENT.] "Dependent" means an eligible employee's spouse, unmarried child who is under the age of 19 years, unmarried child who is a full-time student under the age of 25 years as defined in section 62A.301 and financially dependent upon the eligible employee, or dependent child of any age who is handicapped and who meets the eligibility criteria in section 62A.14, subdivision 2. For the purpose of this definition, a child may include a child for whom the employee or the employee's spouse has been appointed legal guardian.

Subd. 12. [ELIGIBLE CHARGES.] "Eligible charges" means the actual charges submitted to a health carrier by or on behalf of a provider, eligible employee, or dependent for health services covered by the health carrier's health benefit plan. Eligible charges do not include charges for health services excluded by the health benefit plan, charges for which an alternate health carrier is liable under the coordination of benefit provisions of the health benefit plan, charges for health services that are not medically necessary, or charges that exceed the usual and customary charges.

Subd. 13. [ELIGIBLE EMPLOYEE.] "Eligible employee" means an individual employed by a small employer for at least 20 hours per week and who has satisfied all employer participation and eligibility requirements, including, but not limited to, the satisfactory completion of a probationary period of not less than 30 days but no more than 90 days. The term includes a sole proprietor, a partner of a partnership, or an independent contractor, if the sole proprietor, partner, or independent contractor is included as an employee under a health benefit plan of a small employer, but does not include employees who work on a temporary, seasonal, or substitute basis.

Subd. 14. [FINANCIALLY IMPAIRED CONDITION.] "Financially impaired condition" means a situation in which a health carrier is not insolvent, but (1) is considered by the commissioner to be potentially unable to fulfill its contractual obligations, or (2) is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

Subd. 15. [HEALTH BENEFIT PLAN.] "Health benefit plan" means a policy, contract, or certificate issued by a health carrier to a small employer for the coverage of medical and hospital benefits. Health benefit plan includes a small employer plan. Health benefit plan does not include coverage that is:

(1) limited to disability or income protection coverage;

(2) automobile medical payment coverage;

(3) supplemental to liability insurance;

(4) designed solely to provide payments on a per diem, fixed indemnity, or nonexpense-incurred basis;

(5) credit accident and health insurance issued under chapter 62B;

(6) designed solely to provide dental or vision care;

(7) blanket accident and sickness insurance as defined in section 62A.11;

(8) accident-only coverage;

(9) long-term care insurance as defined in section 62A.46;

(10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44, or policies that supplement Medicare issued by health maintenance organizations or those policies governed by section 1833 or 1876 of the Federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended through December 31, 1991; or

(11) workers' compensation insurance.

For the purpose of this chapter, a health benefit plan issued to employees of a small employer who meets the participation requirements of section 62L.03, subdivision 3, is considered to have been issued to a small employer. A health benefit plan issued on behalf of a health carrier is considered to be issued by the health carrier.

Subd. 16. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a

policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; and a multiple employer welfare arrangement, as defined in United States Code, title 29, section 1002(40), as amended through December 31, 1991. For the purpose of this chapter, companies that are affiliated companies or that are eligible to file a consolidated tax return must be treated as one carrier, except that any insurance company or health service plan corporation that is an affiliate of a health maintenance organization located in Minnesota, or any health maintenance organization located in Minnesota that is an affiliate of an insurance company or health service plan corporation, or any health maintenance organization that is an affiliate of another health maintenance organization in Minnesota, may treat the health maintenance organization as a separate carrier.

Subd. 17. [HEALTH PLAN.] "Health plan" means a health benefit plan issued by a health carrier, except that it may be issued:

(1) to a small employer;

(2) to an employer who does not satisfy the definition of a small employer as defined under subdivision 26; or

(3) to an individual purchasing an individual or conversion policy of health care coverage issued by a health carrier.

Subd. 18. [INDEX RATE.] "Index rate" means as to a rating period for small employers the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

Subd. 19. [LATE ENTRANT.] "Late entrant" means an eligible employee or dependent who requests enrollment in a health benefit plan of a small employer following the initial enrollment period applicable to the employee or dependent under the terms of the health benefit plan, provided that the initial enrollment period must be a period of at least 30 days. However, an eligible employee or dependent must not be considered a late entrant if:

(1) the individual was covered under qualifying existing coverage at the time the individual was eligible to enroll in the health benefit plan, declined enrollment on that basis, and presents to the carrier a certificate of termination of the qualifying prior coverage, provided that the individual maintains continuous coverage;

(2) the individual has lost coverage under another group health plan due to the expiration of benefits available under the Consolidated Omnibus Budget Reconciliation Act of 1985, Public Law

Number 99-272, as amended, and any state continuation laws applicable to the employer or carrier, provided that the individual maintains continuous coverage;

(3) the individual is a new spouse of an eligible employee, provided that enrollment is requested within 30 days of becoming legally married;

(4) the individual is a new dependent child of an eligible employee, provided that enrollment is requested within 30 days of becoming a dependent;

(5) the individual is employed by an employer that offers multiple health benefit plans and the individual elects a different plan during an open enrollment period; or

(6) a court has ordered that coverage be provided for a dependent child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order.

Subd. 20. [MCHA.] "MCHA" means the Minnesota comprehensive health association established under section 62E.10.

Subd. 21. [MEDICALLY NECESSARY.] "Medically necessary" means the medical and hospital services commonly recognized by the medical profession and leading medical authorities as essential treatment for the individual's injury or sickness.

Subd. 22. [MEMBERS.] "Members" means the health carriers operating in the small employer market who may participate in the association.

Subd. 23. [PREEXISTING CONDITION.] "Preexisting condition" means a condition manifesting in a manner that causes an ordinarily prudent person to seek medical advice, diagnosis, care, or treatment or for which medical advice, diagnosis, care, or treatment was recommended or received during the six months immediately preceding the effective date of coverage, or a pregnancy existing as of the effective date of coverage of a health benefit plan.

Subd. 24. [QUALIFYING PRIOR COVERAGE OR QUALIFYING EXISTING COVERAGE.] "Qualifying prior coverage" or "qualifying existing coverage" means health benefits or health coverage provided under:

(1) a health plan, as defined in this section;

(2) Medicare;

(3) medical assistance under chapter 256B;

(4) general assistance medical care under chapter 256D;

(5) MCHA;

(6) a self-insured health plan;

(7) the health right plan established under section 256.936, subdivision 2, when the plan includes inpatient hospital services as provided in section 256.936, subdivision 2a, paragraph (c);

(8) a plan provided under section 43A.316; or

(9) a plan similar to any of the above plans provided in this state or in another state as determined by the commissioner.

Subd. 25. [RATING PERIOD.] "Rating period" means the 12-month period for which premium rates established by a health carrier are assumed to be in effect, as determined by the health carrier. During the rating period, a health carrier may adjust the rate based on the prorated change in the index rate.

Subd. 26. [SMALL EMPLOYER.] "Small employer" means a person, firm, corporation, partnership, association, or other entity actively engaged in business who, on at least 50 percent of its working days during the preceding calendar year, employed no fewer than two nor more than 29 eligible employees, the majority of whom were employed in this state. If a small employer has only two eligible employees, one employee must not be the spouse, child, sibling, parent, or grandparent of the other, except that a small employer plan may be offered through a domiciled association to self-employed individuals and small employers who are members of the association, even if the self-employed individual or small employer has fewer than two employees or the employees are family members. Entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer for purposes of determining the number of eligible employees. Small employer status must be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this chapter continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan.

Subd. 27. [SMALL EMPLOYER MARKET.] (a) "Small employer market" means the market for health benefit plans for small employers.

(b) A health carrier is considered to be participating in the small employer market if the carrier offers, sells, issues, or renews a health benefit plan to: (1) any small employer; or (2) the eligible employees of a small employer offering a health benefit plan if, with the

knowledge of the health carrier, both of the following conditions are met:

(i) any portion of the premium or benefits is paid for or reimbursed by a small employer; and

(ii) the health benefit plan is treated by the employer or any of the eligible employees or dependents as part of a plan or program for the purposes of the Internal Revenue Code, section 106, 125, or 162.

Subd. 28. [SMALL EMPLOYER PLAN.] "Small employer plan" means a health benefit plan issued by a health carrier to a small employer for coverage of the medical and hospital benefits described in section 62L.05.

Sec. 3. [62L.03] [AVAILABILITY OF COVERAGE.]

Subdivision 1. [GUARANTEED ISSUE AND REISSUE.] Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, affirmatively market, offer, sell, issue, and renew any of its health benefit plans to any small employer as provided in this chapter. Every health carrier participating in the small employer market shall make available both of the plans described in section 62L.05 to small employers and shall fully comply with the underwriting and the rate restrictions specified in this chapter for all health benefit plans issued to small employers. A health carrier may cease to transact business in the small employer market as provided under section 62L.09.

Subd. 2. [EXCEPTIONS.] (a) No health maintenance organization is required to offer coverage or accept applications under subdivision 1 in the case of the following:

(1) with respect to a small employer, where the worksite of the employees of the small employer is not physically located in the health maintenance organization's approved service areas;

(2) with respect to an employee, when the employee does not work or reside within the health maintenance organization's approved service areas; or

(3) within an area where the health maintenance organization demonstrates to the satisfaction of the commissioner that it does not have the capacity within the area in its network of providers to deliver service adequately to the members of these groups.

(b) A health maintenance organization that cannot offer coverage pursuant to paragraph (a), clause (3), may not offer coverage in the applicable area to new business involving employer groups with more than 29 eligible employees until 180 days following the date on

which the carrier notifies the commissioner that it has regained capacity to deliver services to small employer groups.

(c) A small employer carrier shall not be required to offer coverage or accept applications pursuant to subdivision 1 where the commissioner finds that the acceptance of an application or applications would place the small employer carrier in a financially-impaired condition, provided, however, that a small employer carrier that has not offered coverage or accepted applications pursuant to this paragraph shall not offer coverage or accept applications for any health benefit plan until 180 days following a determination by the commissioner that the small employer carrier has ceased to be financially impaired.

Subd. 3. [MINIMUM PARTICIPATION.] (a) A small employer that has at least 75 percent of its eligible employees who have not waived coverage participating in a health benefit plan must be guaranteed coverage from any health carrier participating in the small employer market. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. A health carrier may not increase the participation requirements applicable to a small employer at any time after the small employer has been accepted for coverage. For the purposes of this subdivision, waiver of coverage includes only waivers due to coverage under another group health plan.

(b) A health carrier may require that small employers contribute a specified minimum percentage toward the cost of the coverage of eligible employees, so long as the requirement is uniformly applied for all small employers. For the small employer plans, a health carrier must require that small employers contribute at least 50 percent of the cost of the coverage of eligible employees. The health carrier must impose this requirement on a uniform basis for both small employer plans and for all small employers.

(c) Nothing in this section obligates a health carrier to issue coverage to a small employer that currently offers coverage through a health benefit plan from another health carrier, unless the new coverage will replace the existing coverage and not serve as one of two or more health benefit plans offered by the employer.

Subd. 4. [UNDERWRITING RESTRICTIONS.] Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted under this chapter. Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees of small employers. Except as otherwise authorized for late entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the effective date of coverage of an eligible

employee or dependent. When calculating a preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by qualifying prior coverage, provided that the individual maintains continuous coverage. Late entrants may be subject to a preexisting condition limitation not to exceed 18 months from the effective date of coverage of the late entrant. Late entrants may also be excluded from coverage for a period not to exceed 18 months, provided that if a health carrier imposes an exclusion from coverage and a preexisting condition limitation, the combined time period for both the coverage exclusion and preexisting condition limitation must not exceed 18 months.

Subd. 5. [CANCELLATIONS AND FAILURES TO RENEW.] No health carrier shall cancel, decline to issue, or fail to renew a health benefit plan as a result of the claim experience or health status of the small employer group. A health carrier may cancel or fail to renew a health benefit plan:

(1) for nonpayment of the required premium;

(2) for fraud or misrepresentation by the small employer, or, with respect to coverage of an individual eligible employee or dependent, fraud or misrepresentation by the eligible employee or dependent, with respect to eligibility for coverage or any other material fact;

(3) if eligible employee participation during the preceding calendar year declines to less than 75 percent, subject to the waiver of coverage provision in subdivision 3;

(4) if the employer fails to comply with the minimum contribution percentage legally required by the health carrier;

(5) if the health carrier ceases to do business in the small employer market; or

(6) for any other reasons or grounds expressly permitted by the respective licensing laws and regulations governing a health carrier, including, but not limited to, service area restrictions imposed on health maintenance organizations under section 62D.03, subdivision 4, paragraph (m), to the extent that these grounds are not expressly inconsistent with this chapter.

Subd. 6. [MCHA ENROLLEES.] Health carriers shall offer coverage to any eligible employee or dependent enrolled in MCHA at the time of the health carrier's issuance or renewal of a health benefit plan to a small employer. The health benefit plan must require that the employer permit MCHA enrollees to enroll in the small employer's health benefit plan as of the first date of renewal of a health benefit plan occurring on or after July 1, 1993, or, in the case of a new group, as of the initial effective date of the health benefit plan.

Unless otherwise permitted by this chapter, health carriers must not impose any underwriting restrictions, including any preexisting condition limitations or exclusions, on any eligible employee or dependent previously enrolled in MCHA and transferred to a health benefit plan so long as continuous coverage is maintained, provided that the health carrier may impose any unexpired portion of a preexisting condition limitation under the person's MCHA coverage. An MCHA enrollee is not a late entrant, so long as the enrollee has maintained continuous coverage.

Sec. 4. [62L.04] [COMPLIANCE REQUIREMENTS.]

Subdivision 1. [APPLICABILITY OF CHAPTER REQUIREMENTS.] Beginning July 1, 1993, health carriers participating in the small employer market must offer and make available any health benefit plan that they offer, including both of the small employer plans provided in section 62L.05, to all small employers who satisfy the small employer participation requirements specified in this chapter. Compliance with these requirements is required as of the first renewal date of any small employer group occurring after July 1, 1993. For new small employer business, compliance is required as of the first date of offering occurring after July 1, 1993.

Compliance with these requirements is required as of the first renewal date occurring after July 1, 1993, with respect to employees of a small employer who had been issued individual coverage prior to July 1, 1993, administered by the health carrier on a group basis. Notwithstanding any other law to the contrary, the health carrier shall terminate any individual coverage for employees of small employers who satisfy the small employer participation requirements specified in section 62L.03 and offer to replace it with a health benefit plan. If the employer elects not to purchase a health benefit plan, the health carrier must offer all covered employees and dependents individual coverage. Small employer and individual coverage provided under this subdivision must be without application of underwriting restrictions, provided continuous coverage is maintained.

Subd. 2. [NEW CARRIERS.] A health carrier entering the small employer market after July 1, 1993, shall begin complying with the requirements of this chapter as of the first date of offering of a health benefit plan to a small employer. A health carrier entering the small employer market after July 1, 1993, is considered to be a member of the health coverage reinsurance association as of the date of the health carrier's initial offer of a health benefit plan to a small employer.

Sec. 5. [62L.05] [SMALL EMPLOYER PLAN BENEFITS.]

Subdivision 1. [TWO SMALL EMPLOYER PLANS.] Each health carrier in the small employer market must make available to any

small employer both of the small employer plans described in subdivisions 2 and 3. Under subdivisions 2 and 3, coinsurance and deductibles do not apply to child health supervision services and prenatal services, as defined by section 62A.047. The maximum out-of-pocket costs for covered services must be $3,000 per individual and $6,000 per family per year. The maximum lifetime benefit must be $500,000. The out-of-pocket cost limits and the deductible amounts provided in subdivision 2 must be adjusted on July 1 every two years, based upon changes in the consumer price index, as of the end of the previous calendar year, as determined by the commissioner of commerce. Adjustments must be in increments of $50 and must not be made unless at least that amount of adjustment is required.

Subd. 2. [DEDUCTIBLE-TYPE SMALL EMPLOYER PLAN.] The benefits of the deductible-type small employer plan offered by a health carrier must be equal to 80 percent of the eligible charges for health care services, supplies, or other articles covered under the small employer plan, in excess of an annual deductible which must be $500 per individual and $1,000 per family.

Subd. 3. [COPAYMENT-TYPE SMALL EMPLOYER PLAN.] The benefits of the copayment-type small employer plan offered by a health carrier must be equal to 80 percent of the eligible charges for health care services, supplies, or other articles covered under the small employer plan, in excess of the following copayments:

(1) $15 per outpatient visit, other than to a hospital outpatient department or emergency room, urgent care center, or similar facility;

(2) $15 per day for the services of a home health agency or private duty registered nurse;

(3) $50 per outpatient visit to a hospital outpatient department or emergency room, urgent care center, or similar facility; and

(4) $300 per inpatient admission to a hospital.

Subd. 4. [BENEFITS.] The medical services and supplies listed in this subdivision are the benefits that must be covered by the small employer plans described in subdivisions 2 and 3:

(1) inpatient and outpatient hospital services, excluding services provided for the diagnosis, care, or treatment of chemical dependency or a mental illness or condition, other than those conditions specified in clauses (10), (11), and (12);

(2) physician and nurse practitioner services for the diagnosis or treatment of illnesses, injuries, or conditions;

(3) diagnostic X-rays and laboratory tests;

(4) ground transportation provided by a licensed ambulance service to the nearest facility qualified to treat the condition, or as otherwise required by the health carrier;

(5) services of a home health agency if the services qualify as reimbursable services under Medicare and are directed by a physician or qualify as reimbursable under the health carrier's most commonly sold health plan for insured group coverage;

(6) services of a private duty registered nurse if medically necessary, as determined by the health carrier;

(7) the rental or purchase, as appropriate, of durable medical equipment, other than eyeglasses and hearing aids;

(8) child health supervision services up to age 18, as defined in section 62A.047;

(9) maternity and prenatal care services, as defined in sections 62A.041 and 62A.047;

(10) inpatient hospital and outpatient services for the diagnosis and treatment of certain mental illnesses or conditions, as defined by the International Classification of Diseases-Clinical Modification (ICD-9-CM), seventh edition (1990) and as classified as ICD-9 codes 295 to 299;

(11) ten hours per year of outpatient mental health diagnosis or treatment for illnesses or conditions not described in clause (10);

(12) 60 hours per year of outpatient treatment of chemical dependency; and

(13) 50 percent of eligible charges for prescription drugs, up to a separate annual maximum out-of-pocket expense of $1,000 per individual for prescription drugs, and 100 percent of eligible charges thereafter.

Subd. 5. [PLAN VARIATIONS.] (a) No health carrier shall offer to a small employer a health benefit plan that differs from the two small employer plans described in subdivisions 1 to 4, unless the health benefit plan complies with all provisions of chapters 62A, 62C, 62D, 62E, 62H, and 64B that otherwise apply to the health carrier, except as expressly permitted by paragraph (b).

(b) As an exception to paragraph (a), a health benefit plan is deemed to be a small employer plan and to be in compliance with paragraph (a) if it differs from one of the two small employer plans

described in subdivisions 1 to 4 only by providing benefits in addition to those described in subdivision 4, provided that the health care benefit plan has an actuarial value that exceeds the actuarial value of the benefits described in subdivision 4 by no more than two percent. "Benefits in addition" means additional units of a benefit listed in subdivision 4 or one or more benefits not listed in subdivision 4.

Subd. 6. [CHOICE PRODUCTS EXCEPTION.] Nothing in subdivision 1 prohibits a health carrier from offering a small employer plan which provides for different benefit coverages based on whether the benefit is provided through a primary network of providers or through a secondary network of providers so long as the benefits provided in the primary network equal the benefit requirements of the small employer plan as described in this section. For purposes of products issued under this subdivision, out-of-pocket costs in the secondary network may exceed the out-of-pocket limits described in subdivision 1.

Subd. 7. [BENEFIT EXCLUSIONS.] No medical, hospital, or other health care benefits, services, supplies, or articles not expressly specified in subdivision 4 are required to be included in a small employer plan. Nothing in subdivision 4 restricts the right of a health carrier to restrict coverage to those services, supplies, or articles which are medically necessary. Health carriers may exclude a benefit, service, supply, or article not expressly specified in subdivision 4 from a small employer plan.

Subd. 8. [CONTINUATION COVERAGE.] Small employer plans must include the continuation of coverage provisions required by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Public Law Number 99-272, as amended through December 31, 1991, and by state law.

Subd. 9. [DEPENDENT COVERAGE.] Other state law and rules applicable to health plan coverage of newborn infants, dependent children who do not reside with the eligible employee, handicapped children and dependents, and adopted children apply to a small employer plan. Health benefit plans that provide dependent coverage must define "dependent" no more restrictively than the definition provided in section 62L.02.

Subd. 10. [MEDICAL EXPENSE REIMBURSEMENT.] Health carriers may reimburse or pay for medical services, supplies, or articles provided under a small employer plan in accordance with the health carrier's provider contract requirements including, but not limited to, salaried arrangements, capitation, the payment of usual and customary charges, fee schedules, discounts from fee-for-service, per diems, diagnostic-related groups (DRGs), and other payment arrangements. Nothing in this chapter requires a health carrier to develop, implement, or change its provider contract

requirements for a small employer plan. Coinsurance, deductibles, out-of-pocket maximums, and maximum lifetime benefits must be calculated and determined in accordance with each health carrier's standard business practices.

Subd. 11. [PLAN DESIGN.] Notwithstanding any other law, regulation, or administrative interpretation to the contrary, health carriers may offer small employer plans through any provider arrangement, including, but not limited to, the use of open, closed, or limited provider networks. A health carrier may only use product and network designs currently allowed under existing statutory requirements. The provider networks offered by any health carrier may be specifically designed for the small employer market and may be modified at the carrier's election so long as all otherwise applicable regulatory requirements are met. Health carriers may use professionally recognized provider standards of practice when they are available, and may use utilization management practices otherwise permitted by law, including, but not limited to, second surgical opinions, prior authorization, concurrent and retrospective review, referral authorizations, case management, and discharge planning. A health carrier may contract with groups of providers with respect to health care services or benefits, and may negotiate with providers regarding the level or method of reimbursement provided for services rendered under a small employer plan.

Subd. 12. [DEMONSTRATION PROJECTS.] Nothing in this chapter prohibits a health maintenance organization from offering a demonstration project authorized under section 62D.30. The commissioner of health may approve a demonstration project which offers benefits that do not meet the requirements of a small employer plan if the commissioner finds that the requirements of section 62D.30 are otherwise met.

Sec. 6. [62L.06] [DISCLOSURE OF UNDERWRITING RATING PRACTICES.]

When offering or renewing a health benefit plan, health carriers shall disclose in all solicitation and sales materials:

(1) the case characteristics and other rating factors used to determine initial and renewal rates;

(2) the extent to which premium rates for a small employer are established or adjusted based upon actual or expected variation in claim experience;

(3) provisions concerning the health carrier's right to change premium rates and the factors other than claim experience that affect changes in premium rates;

(4) provisions relating to renewability of coverage;

(5) the use and effect of any preexisting condition provisions, if permitted; and

(6) the application of any provider network limitations and their effect on eligibility for benefits.

Sec. 7. [62L.07] [SMALL EMPLOYER REQUIREMENTS.]

Subdivision 1. [VERIFICATION OF ELIGIBILITY.] Health benefit plans must require that small employers offering a health benefit plan maintain information verifying the continuing eligibility of the employer, its employees, and their dependents, and provide the information to health carriers on a quarterly basis or as reasonably requested by the health carrier.

Subd. 2. [WAIVERS.] Health benefit plans must require that small employers offering a health benefit plan maintain written documentation of a waiver of coverage by an eligible employee or dependent and provide the documentation to the health carrier upon reasonable request.

Sec. 8. [62L.08] [RESTRICTIONS RELATING TO PREMIUM RATES.]

Subdivision 1. [RATE RESTRICTIONS.] Premium rates for all health benefit plans sold or issued to small employers are subject to the restrictions specified in this section.

Subd. 2. [GENERAL PREMIUM VARIATIONS.] Beginning July 1, 1993, each health carrier must offer premium rates to small employers that are no more than 25 percent above and no more than 25 percent below the index rate charged to small employers for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this subdivision must be based only on health status, claims experience, industry of the employer, and duration of coverage from the date of issue. For purposes of this subdivision, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined to be actuarially valid and approved by the commissioner of commerce.

Subd. 3. [AGE-BASED PREMIUM VARIATIONS.] Beginning July 1, 1993, each health carrier may offer premium rates to small employers that vary based upon the ages of the eligible employees and dependents of the small employer only as provided in this subdivision. In addition to the variation permitted by subdivision 2,

each health carrier may use an additional premium variation based upon age of up to plus or minus 50 percent of the index rate.

Subd. 4. [GEOGRAPHIC PREMIUM VARIATIONS.] A health carrier may request approval by the commissioner to establish no more than three geographic regions and to establish separate index rates for each region, provided that the index rates do not vary between regions by more than five percent. The commissioner may grant approval if the following conditions are met:

(1) the geographic regions must be applied uniformly by the health carrier;

(2) the geographic regions are based on the seven-county metropolitan area, urban regions located outside the seven-county metropolitan area, and rural regions; and

(3) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.

Subd. 5. [GENDER-BASED RATES PROHIBITED.] Beginning July 1, 1993, no health carrier may determine premium rates through a method that is in any way based upon the gender of eligible employees or dependents.

Subd. 6. [RATE CELLS PERMITTED.] Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based on the number of adults and children covered under the policy and may reflect the availability of Medicare coverage.

Subd. 7. [INDEX AND PREMIUM RATE DEVELOPMENT.] In developing its index rates and premiums, a health carrier may take into account only the following factors:

(1) actuarially valid differences in benefit designs of health benefit plans;

(2) actuarially valid differences in the rating factors permitted in subdivisions 2 and 3;

(3) actuarially valid geographic variations if approved by the commissioner as provided in subdivision 4.

Subd. 8. [FILING REQUIREMENT.] No later than July 1, 1993, and each year thereafter, a health carrier that offers, sells, issues, or renews a health benefit plan for small employers shall file with the commissioner of commerce the index rates and must demonstrate

that all rates shall be within the rating restrictions defined in this chapter. Such demonstration must include the allowable range of rates from the index rates and a description of how the health carrier intends to use demographic factors including case characteristics in calculating the premium rates.

Subd. 9. [EFFECT OF ASSESSMENTS.] Premium rates must comply with the rating requirements of this section, notwithstanding the imposition of any assessments or premiums paid by health carriers as provided under sections 62L.13 to 62L.22.

Subd. 10. [RATING REPORT.] Beginning January 1, 1995, and annually thereafter, the commissioners of health and commerce shall provide a joint report to the legislature on the effect of the rating restrictions required by this section and the appropriateness of proceeding with additional rate reform. Each report must include an analysis of the availability of health care coverage due to the rating reform, the equitable and appropriate distribution of risk and associated costs, the effect on the self-insurance market, and any resulting or anticipated change in health plan design and market share and availability of health carriers.

Sec. 9. [62L.09] [CESSATION OF SMALL EMPLOYER BUSINESS.]

Subdivision 1. [NOTICE TO COMMISSIONER.] A health carrier electing to cease doing business in the small employer market shall notify the commissioner 180 days prior to the effective date of the cessation. The cessation of business does not include the following activities:

(1) the failure of a health carrier to offer or issue new business in the small employer market or continue an existing product line, provided that a health carrier does not terminate, cancel, or fail to renew its current small employer business or other product lines; or

(2) the inability of any health carrier to offer or renew a health benefit plan because it has given notice to the commissioner that it will not have the capacity within a specific provider site under contract to or owned by the health carrier to adequately deliver services to the enrollees, insureds, or subscribers of health benefit plans. Any health carrier that ceases to offer a particular provider site to the small employer market must also cease to offer that provider site to new groups other than small employers for any of its products.

Subd. 2. [NOTICE TO EMPLOYERS.] A health carrier electing to cease doing business in the small employer market shall provide 120 days' written notice to each small employer covered by a health benefit plan issued by the health carrier. A health carrier that ceases to write new business in the small employer market shall

continue to be governed by this chapter with respect to continuing small employer business conducted by the carrier.

Subd. 3. [REENTRY PROHIBITION.] A health carrier that ceases to do business in the small employer market after July 1, 1993, is prohibited from writing new business in the small employer market in this state for a period of five years from the date of notice to the commissioner. This subdivision applies to any health maintenance organization that ceases to do business in the small employer market in one service area with respect to that service area only. Nothing in this subdivision prohibits an affiliated health maintenance organization from continuing to do business in the small employer market in that same service area.

Subd. 4. [CONTINUING ASSESSMENT LIABILITY.] A health carrier that ceases to do business in the small employer market remains liable for assessments levied by the association as provided in section 62L.22.

Sec. 10. [62L.10] [SUPERVISION BY COMMISSIONER.]

Subdivision 1. [REPORTS.] A health carrier doing business in the small employer market shall file by April 1 of each year an annual actuarial opinion with the commissioner of commerce certifying that the health carrier complied with the underwriting and rating requirements of this chapter during the preceding year and that the rating methods used by the health carrier were actuarially sound. A health carrier shall retain a copy of the opinion at its principal place of business.

Subd. 2. [RECORDS.] A health carrier doing business in the small employer market shall maintain at its principal place of business a complete and detailed description of its rating practices and renewal underwriting practices, including information and documentation that demonstrate that its rating methods and practices are based upon commonly accepted actuarial assumptions and are in accordance with sound actuarial principles.

Subd. 3. [SUBMISSIONS TO COMMISSIONER.] Subsequent to the annual filing, the commissioner of commerce may request information and documentation from a health carrier describing its rating practices and renewal underwriting practices, including information and documentation that demonstrates that a health carrier's rating methods and practices are in accordance with sound actuarial principles and the requirements of this chapter. Except in cases of violations of this chapter or of another chapter, information received by the commissioner as provided under this subdivision is nonpublic.

Subd. 4. [REVIEW OF PREMIUM RATES.] The commissioner shall regulate premium rates charged or proposed to be charged by

all health carriers in the small employer market under section 62A.02.

Subd. 5. [TRANSITIONAL PRACTICES.] The commissioner of commerce shall disapprove index rates, premium variations, or other practices of a health carrier if they violate the spirit of this chapter and are the result of practices engaged in by the health carrier between the date of final enactment of this act and July 1, 1993, where the practices engaged in were carried out for the purpose of evading the spirit of this chapter.

Sec. 11. [62L.11] [PENALTIES AND ENFORCEMENT.]

Subdivision 1. [DISCIPLINARY PROCEEDINGS.] The commissioner may, by order, suspend or revoke a health carrier's license or certificate of authority and impose a monetary penalty not to exceed $25,000 for each violation of this chapter, including the failure to pay an assessment required by section 62L.22. The notice, hearing, and appeal procedures specified in section 60A.051 or 62D.16, as appropriate, apply to the order. The order is subject to judicial review as provided under chapter 14.

Subd. 2. [ENFORCEMENT POWERS.] The commissioners of health and commerce each has for purposes of this chapter all of each commissioner's respective powers under other chapters that are applicable to their respective duties under this chapter.

Sec. 12. [62L.12] [PROHIBITED PRACTICES.]

Subdivision 1. [PROHIBITION ON ISSUANCE OF INDIVIDUAL POLICIES.] A health carrier operating in the small employer market shall not knowingly offer, issue, or renew an individual policy, subscriber contract, or certificate to an eligible employee or dependent of a small employer that meets the minimum participation requirements defined in section 62L.03, subdivision 3, except as authorized under subdivision 2.

Subd. 2. [EXCEPTIONS.] (a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may sell, issue, or renew conversion policies under section 62E.16 to eligible employees and dependents.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees and dependents as required.

(e) A health carrier may sell, issue, or renew individual coverage if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group coverage or due to the person's need for health care services not covered under the employer's group policy.

(f) A health carrier may sell, issue, or renew an individual policy, with the prior consent of the commissioner, if the individual has elected to buy the individual coverage not as part of a general plan to substitute individual coverage for group coverage nor as a result of any violation of subdivision 3 or 4.

(g) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

Subd. 3. [AGENT'S LICENSURE.] An agent licensed under chapter 60A or section 62C.17 who knowingly and willfully breaks apart a small group for the purpose of selling individual policies to eligible employees and dependents of a small employer that meets the participation requirements of section 62L.03, subdivision 3, is guilty of an unfair trade practice and subject to the revocation or suspension of license under section 60A.17, subdivision 6c, or 62C.17. The action must be by order and subject to the notice, hearing, and appeal procedures specified in section 60A.17, subdivision 6d. The action of the commissioner is subject to judicial review as provided under chapter 14.

Subd. 4. [EMPLOYER PROHIBITION.] A small employer shall not encourage or direct an employee or applicant to:

(1) refrain from filing an application for health coverage when other similarly situated employees may file an application for health coverage;

(2) file an application for health coverage during initial eligibility for coverage, the acceptance of which is contingent on health status, when other similarly situated employees may apply for health coverage, the acceptance of which is not contingent on health status;

(3) seek coverage from another carrier, including, but not limited to, MCHA; or

(4) cause coverage to be issued on different terms because of the

health status or claims experience of that person or the person's dependents.

Subd. 5. [SALE OF OTHER PRODUCTS.] A health carrier shall not condition the offer, sale, issuance, or renewal of a health benefit plan on the purchase by a small employer of other insurance products offered by the health carrier or a subsidiary or affiliate of the health carrier, including, but not limited to, life, disability, property, and general liability insurance. This prohibition does not apply to insurance products offered as a supplement to a health maintenance organization plan, including, but not limited to, supplemental benefit plans under section 62D.05, subdivision 6. This prohibition does not apply to accidental death or dismembership coverage up to $15,000 included in a health benefit plan other than a small employer plan.

Sec. 13. [62L.13] [REINSURANCE ASSOCIATION.]

Subdivision 1. [CREATION.] The health coverage reinsurance association is established as a nonprofit corporation. All health carriers in the small employer market shall be and remain members of the association as a condition of their authority to transact business.

Subd. 2. [PURPOSE.] The association is established to provide for the fair and equitable transfer of risk associated with participation by a health carrier in the small employer market to a private reinsurance pool established and maintained by the association.

Subd. 3. [EXEMPTIONS.] The association, its transactions, and all property owned by it are exempt from taxation under the laws of this state or any of its subdivisions, including, but not limited to, income tax, sales tax, use tax, and property tax. The association may seek exemption from payment of all fees and taxes levied by the federal government. Except as otherwise provided in this chapter, the association is not subject to the provisions of chapters 13, 14, 60A, 62A to 62H, and section 471.705. The association is not a public employer and is not subject to the provisions of chapters 179A and 353. Health carriers who are members of the association are exempt from the provisions of sections 325D.49 to 325D.66 in the performance of their duties as members of the association.

Subd. 4. [POWERS OF ASSOCIATION.] The association may exercise all of the powers of a corporation formed under chapter 317A, including, but not limited to, the authority to:

(1) establish operating rules, conditions, and procedures relating to the reinsurance of members' risks;

(2) assess members in accordance with the provisions of this

section and to make advance interim assessments as may be reasonable and necessary for organizational and interim operating expenses;

(3) sue and be sued, including taking any legal action necessary to recover any assessments;

(4) enter into contracts necessary to carry out the provisions of this chapter;

(5) establish operating, administrative, and accounting procedures for the operation of the association; and

(6) borrow money against the future receipt of premiums and assessments up to the amount of the previous year's assessment, with the prior approval of the commissioner.

The provisions of this chapter govern if the provisions of chapter 317A conflict with this chapter. The association shall adopt bylaws and shall be governed in accordance with this chapter and chapter 317A.

Subd. 5. [SUPERVISION BY COMMISSIONER.] The commissioner of commerce shall supervise the association in accordance with this chapter. The commissioner of commerce may examine the association. The association's reinsurance policy forms, its contracts, its premium rates, and its assessments are subject to the approval of the commissioner of commerce. The association shall notify the commissioner of all association or board meetings, and the commissioner or the commissioner's designee may attend all association or board meetings. The association shall file an annual report with the commissioner on or before July 1 of each year, beginning July 1, 1994, describing its activities during the preceding calendar year. The report must include a financial report and a summary of claims paid by the association. The annual report must be available for public inspection.

Sec. 14. [62L.14] [BOARD OF DIRECTORS.]

Subdivision 1. [COMPOSITION OF BOARD.] The association shall exercise its powers through a board of 13 directors. Four members must be public members appointed by the commissioner. The public members must not be employees of or otherwise affiliated with any member of the association. The nonpublic members of the board must be representative of the membership of the association and must be officers, employees, or directors of the members during their term of office. No member of the association may have more than three members of the board. Directors are automatically removed if they fail to satisfy this qualification.

Subd. 2. [ELECTION OF BOARD.] On or before July 1, 1992, the commissioner shall appoint an interim board of directors of the association who shall serve through the first annual meeting of the members and for the next two years. Except for the public members, the commissioner's initial appointments must be equally apportioned among the following three categories: accident and health insurance companies, nonprofit health service plan corporations, and health maintenance organizations. Thereafter, members of the association shall elect the board of directors in accordance with this chapter and the bylaws of the association, subject to approval by the commissioner. Members of the association may vote in person or by proxy. The public members shall continue to be appointed by the commissioner.

Subd 3. [TERM OF OFFICE.] The first annual meeting must be held by December 1, 1992. After the initial two-year period, each director shall serve a three-year term, except that the board shall make appropriate arrangements to stagger the terms of the board members so that approximately one-third of the terms expire each year. Each director shall hold office until expiration of the director's term or until the director's successor is duly elected or appointed and qualified, or until the director's death, resignation, or removal.

Subd. 4. [RESIGNATION AND REMOVAL.] A director may resign at any time by giving written notice to the commissioner. The resignation takes effect at the time the resignation is received unless the resignation specifies a later date. A nonpublic director may be removed at any time, with cause, by the members.

Subd. 5. [QUORUM.] A majority of the members of the board of directors constitutes a quorum for the transaction of business. If a vacancy exists by reason of death, resignation, or otherwise, a majority of the remaining directors constitutes a quorum.

Subd. 6. [DUTIES OF DIRECTORS.] The board of directors shall adopt or amend the association's bylaws. The bylaws may contain any provision for the purpose of administering the association that is not inconsistent with this chapter. The board shall manage the association in furtherance of its purposes and as provided in its bylaws. On or before January 1, 1993, the board or the interim board shall develop a plan of operation and reasonable operating rules to assure the fair, reasonable, and equitable administration of the association. The plan of operation must include the development of procedures for selecting an administering carrier, establishment of the powers and duties of the administering carrier, and establishment of procedures for collecting assessments from members, including the imposition of interest penalties for late payments of assessments. The plan of operation must be submitted to the commissioner for review and must be submitted to the members for approval at the first meeting of the members. The board of directors

may subsequently amend, change, or revise the plan of operation without approval by the members.

Subd. 7. [COMPENSATION.] Members of the board may be reimbursed by the association for reasonable and necessary expenses incurred by them in performing their duties as directors, but shall not otherwise be compensated by the association for their services.

Subd. 8. [OFFICERS.] The board may elect officers and establish committees as provided in the bylaws of the association. Officers have the authority and duties in the management of the association as prescribed by the bylaws and determined by the board of directors.

Subd. 9. [MAJORITY VOTE.] Approval by a majority of the board members present is required for any action of the board. The majority vote must include one vote from a board member representing an accident and health insurance company, one vote from a board member representing a health service plan corporation, one vote from a board member representing a health maintenance organization, and one vote from a public member.

Sec. 15. [62L.15] [MEMBERS.]

Subdivision 1. [ANNUAL MEETING.] The association shall conduct an annual meeting of the members of the association for the purpose of electing directors and transacting any other appropriate business of the membership of the association. The board shall determine the date, time, and place of the annual meeting. The association shall conduct its first annual member meeting on or before December 1, 1992.

Subd. 2. [SPECIAL MEETINGS.] Special meetings of the members must be held whenever called by any three of the directors. At least two categories must be represented among the directors calling a special meeting of the members. The categories are accident and health insurance companies, nonprofit health service plan corporations, and health maintenance organizations. Special meetings of the members must be held at a time and place designated in the notice of the meeting.

Subd. 3. [MEMBER VOTING.] Each member has an equal vote.

Subd. 4. [INITIAL MEMBER MEETING.] At least 60 days before the first annual meeting of the members, the commissioner shall give written notice to all members of the time and place of the member meeting. The members shall elect directors representing the members, approve the initial plan of operation of the association, and transact any other appropriate business of the membership of the association.

Subd. 5. [MEMBER COMPLIANCE.] All members shall comply with the provisions of this chapter, the association's bylaws, the plan of operation developed by the board of directors, and any other operating, administrative, or other procedures established by the board of directors for the operation of the association. The board may request the commissioner to secure compliance with this chapter through the use of any enforcement action otherwise available to the commissioner.

Sec. 16. [62L.16] [ADMINISTRATION OF ASSOCIATION.]

Subdivision 1. [ADMINISTERING CARRIER.] The association shall contract with a qualified health carrier to operate and administer the association. If there is no available qualified health carrier, or in the event of a termination under subdivision 2, the association may directly operate and administer the reinsurance program. The administering carrier shall perform all administrative functions required by this chapter. The board of directors shall develop administrative functions required by this chapter and written criteria for the selection of an administering carrier. The administering carrier must be selected by the board of directors, subject to approval by the commissioner.

Subd. 2. [TERM.] The administering carrier shall serve for a period of three years, unless the administering carrier requests the termination of its contract and the termination is approved by the board of directors. The board of directors shall approve or deny a request to terminate within 90 days of its receipt after consultation with the commissioner. A failure to make a final decision on a request to terminate within 90 days is considered an approval.

Subd. 3. [DUTIES OF ADMINISTERING CARRIER.] The association shall enter into a written contract with the administering carrier to carry out its duties and responsibilities. The administering carrier shall perform all administrative functions required by this chapter including the:

(1) preparation and submission of an annual report to the commissioner;

(2) preparation and submission of monthly reports to the board of directors;

(3) calculation of all assessments and the notification thereof of members;

(4) payment of claims to health carriers following the submission by health carriers of acceptable claim documentation; and

(5) provision of claim reports to health carriers as determined by the board of directors.

Subd. 4. [BID PROCESS.] The association shall issue a request for proposal for administration of the reinsurance association and shall solicit responses from health carriers participating in the small employer market and from other qualified insurers and reinsurers. Methods of compensation of the administrator must be a part of the bid process. The administering carrier shall substantiate its cost reports consistent with generally accepted accounting principles.

Subd. 5. [AUDITS.] The board of directors may conduct periodic audits to verify the accuracy of financial data and reports submitted by the administering carrier.

Subd. 6. [RECORDS OF ASSOCIATION.] The association shall maintain appropriate records and documentation relating to the activities of the association. All individual patient-identifying claims data and information are confidential and not subject to disclosure of any kind, except that a health carrier shall have access upon request to individual claims data relating to eligible employees and dependents covered by a health benefit plan issued by the health carrier. All records, documents, and work product prepared by the association or by the administering carrier for the association are the property of the association. The commissioner shall have access to the data for the purposes of carrying out the supervisory functions provided for in this chapter.

Sec. 17. [62L.17] [PARTICIPATION IN THE REINSURANCE ASSOCIATION.]

Subdivision 1. [MINIMUM STANDARDS.] The board of directors or the interim board shall establish minimum claim processing and managed care standards which must be met by a health carrier in order to reinsure business.

Subd. 2. [PARTICIPATION.] A health carrier may elect to not participate in the reinsurance association through transferring risk only after filing an application with the commissioner of commerce. The commissioner may approve the application after consultation with the board of directors. In determining whether to approve an application, the commissioner shall consider whether the health carrier meets the following standards:

(1) demonstration by the health carrier of a substantial and established market presence;

(2) demonstrated experience in the small group market and history of rating and underwriting small employer groups;

(3) commitment to comply with the requirements of this chapter for small employers in the state or its service area; and

(4) financial ability to assume and manage the risk of enrolling small employer groups without the protection of the reinsurance.

Initial application for nonparticipation must be filed with the commissioner no later than October 15, 1992. The commissioner shall make the determination and notify the carrier no later than November 15, 1992.

Subd. 3. [LENGTH OF PARTICIPATION.] A health carrier's initial election is for a period of two years. Subsequent elections of participation are for five-year periods.

Subd. 4. [APPEAL.] A health carrier whose application for nonparticipation has been rejected by the commissioner may appeal the decision. The association may also appeal a decision of the commissioner, if approved by a two-thirds majority of the board. Chapter 14 applies to all appeals.

Subd. 5. [ANNUAL CERTIFICATION.] A health carrier that has received approval to not participate in the reinsurance association shall annually certify to the commissioner on or before December 1 that it continues to meet the standards described in subdivision 2.

Subd. 6. [SUBSEQUENT ELECTION.] Election to participate in the reinsurance association must occur on or before December 31 of each year. If after a period of nonparticipation, the nonparticipating health carrier subsequently elects to participate in the reinsurance association, the health carrier retains the risk it assumed when not participating in the association.

If a participating health carrier subsequently elects to not participate in the reinsurance association, the health carrier shall cease reinsuring through the association all of its small employer business and is liable for any assessment described in section 62L.22 which has been prorated based on the business covered by the reinsurance mechanism during the year of the assessment.

Subd. 7. [ELECTION MODIFICATION.] The commissioner, after consultation with the board, may authorize a health carrier to modify its election to not participate in the association at any time, if the risk from the carrier's existing small employer business jeopardizes the financial condition of the health carrier. If the commissioner authorizes a health carrier to participate in the association, the health carrier shall retain the risk it assumed while not participating in the association. This election option may not be exercised if the health carrier is in rehabilitation.

Sec. 18. [62L.18] [CEDING OF RISK.]

Subdivision 1. [PROSPECTIVE CEDING.] For health benefit plans issued on or after July 1, 1993, all health carriers participating in the association may prospectively reinsure an employee or dependent within a small employer group and entire employer groups of seven or fewer eligible employees. A health carrier must determine whether to reinsure an employee or dependent or entire group within 60 days of the commencement of the coverage of the small employer and must notify the association during that time period.

Subd. 2. [ELIGIBILITY FOR REINSURANCE.] A health carrier may not reinsure existing small employer business through the association. A health carrier may reinsure an employee or dependent who previously had coverage from MCHA who is now eligible for coverage through the small employer group at the time of enrollment as defined in section 62L.03, subdivision 6. A health carrier may not reinsure individuals who have existing individual health care coverage with that health carrier upon replacement of the individual coverage with group coverage as provided in section 62L.04, subdivision 1.

Subd. 3. [REINSURANCE TERMINATION.] A health carrier may terminate reinsurance through the association for an employee or dependent or entire group on the anniversary date of coverage for the small employer. If the health carrier terminates the reinsurance, the health carrier may not subsequently reinsure the individual or entire group.

Subd. 4. [CONTINUING CARRIER RESPONSIBILITY.] A health carrier transferring risk to the association is completely responsible for administering its health benefit plans. A health carrier shall apply its case management and claim processing techniques consistently between reinsured and nonreinsured business. Small employers, eligible employees, and dependents shall not be notified that the health carrier has reinsured their coverage through the association.

Sec. 19. [62L.19] [ALLOWED REINSURANCE BENEFITS.]

A health carrier may reinsure through the association only those benefits described in section 62L.05.

Sec. 20. [62L.20] [TRANSFER OF RISK.]

Subdivision 1. [REINSURANCE THRESHOLD.] A health carrier participating in the association may transfer up to 90 percent of the risk above a reinsurance threshold of $5,000 of eligible charges resulting from issuance of a health benefit plan to an eligible employee or dependent of a small employer group whose risk has

been prospectively ceded to the association. If the eligible charges exceed $50,000, a health carrier participating in the association may transfer 100 percent of the risk each policy year not to exceed 12 months.

Satisfaction of the reinsurance threshold must be determined by the board of directors based on eligible charges. The board may establish an audit process to assure consistency in the submission of charge calculations by health carriers to the association.

Subd. 2. [CONVERSION FACTORS.] The board shall establish a standardized conversion table for determining equivalent charges for health carriers that use alternative provider reimbursement methods. If a health carrier establishes to the board that the carrier's conversion factor is equivalent to the association's standardized conversion table, the association shall accept the health carrier's conversion factor.

Subd. 3. [BOARD AUTHORITY.] The board shall establish criteria for changing the threshold amount or retention percentage. The board shall review the criteria on an annual basis. The board shall provide the members with an opportunity to comment on the criteria at the time of the annual review.

Subd. 4. [NOTIFICATION OF TRANSFER OF RISK.] A participating health carrier must notify the association, within 90 days of receipt of proof of loss, of satisfaction of a reinsurance threshold. After satisfaction of the reinsurance threshold, a health carrier continues to be liable to its providers, eligible employees, and dependents for payment of claims in accordance with the health carrier's health benefit plan. Health carriers shall not pend or delay payment of otherwise valid claims due to the transfer of risk to the association.

Subd. 5. [PERIODIC STUDIES.] The board shall, on a biennial basis, prepare and submit a report to the commissioner of commerce on the effect of the reinsurance association on the small employer market. The first study must be presented to the commissioner no later than January 1, 1995, and must specifically address whether there has been disruption in the small employer market due to unnecessary churning of groups for the purpose of obtaining reinsurance and whether it is appropriate for health carriers to transfer the risk of their existing small group business to the reinsurance association. After two years of operation, the board shall study both the effect of ceding both individuals and entire small groups of seven or fewer eligible employees to the reinsurance association and the composition of the board and determine whether the initial appointments reflect the types of health carriers participating in the reinsurance association and whether the voting power of members of the association should be weighted and recommend any necessary changes.

Sec. 21. [62L.21] [REINSURANCE PREMIUMS.]

Subdivision 1. [MONTHLY PREMIUM.] A health carrier ceding an individual to the reinsurance association shall be assessed a monthly reinsurance coverage premium that is 5.0 times the adjusted average market price. A health carrier ceding an entire group to the reinsurance association shall be assessed a monthly reinsurance coverage premium that is 1.5 times the adjusted average market price. The adjusted average market premium price must be established by the board of directors in accordance with its plan of operation. The board may consider benefit levels in establishing the reinsurance coverage premium.

Subd. 2. [ADJUSTMENT OF PREMIUM RATES.] The board of directors shall establish operating rules to allocate adjustments to the reinsurance premium charge of no more than minus 25 percent of the monthly reinsurance premium for health carriers that can demonstrate administrative efficiencies and cost-effective handling of equivalent risks. The adjustment must be made annually on a retrospective basis. The operating rules must establish objective and measurable criteria which must be met by a health carrier in order to be eligible for an adjustment. These criteria must include consideration of efficiency attributable to case management, but not consideration of such factors as provider discounts.

Subd. 3. [LIABILITY FOR PREMIUM.] A health carrier is liable for the cost of the reinsurance premium and may not directly charge the small employer for the costs. The reinsurance premium may be reflected only in the rating factors permitted in section 62L.08, as provided in section 62L.08, subdivision 10.

Sec. 22. [62L.22] [ASSESSMENTS.]

Subdivision 1. [ASSESSMENT BY BOARD.] For the purpose of providing the funds necessary to carry out the purposes of the association, the board of directors shall assess members as provided in subdivisions 2, 3, and 4 at the times and for the amounts the board of directors finds necessary. Assessments are due and payable on the date specified by the board of directors, but not less than 30 days after written notice to the member. Assessments accrue interest at the rate of six percent per year on or after the due date.

Subd. 2. [INITIAL CAPITALIZATION.] The interim board of directors shall determine the initial capital operating requirements for the association. The board shall assess each licensed health carrier $100 for the initial capital requirements of the association. The assessment is due and payable no later than January 1, 1993.

Subd. 3. [RETROSPECTIVE ASSESSMENT.] On or before July 1 of each year, the administering carrier shall determine the association's net loss, if any, for the previous calendar year, the program

expenses of administration, and other appropriate gains and losses. If reinsurance premium charges are not sufficient to satisfy the operating and administrative expenses incurred or estimated to be incurred by the association, the board of directors shall assess each member participating in the association in proportion to each member's respective share of the total insurance premiums, subscriber contract payments, health maintenance organization payments, and other health benefit plan revenue derived from or on behalf of small employers during the preceding calendar year. The assessments must be calculated by the board of directors based on annual statements and other reports considered necessary by the board of directors and filed by members with the association. The amount of the assessment shall not exceed four percent of the member's small group market premium. In establishing this assessment, the board shall consider a formula based on total small employer premiums earned and premiums earned from newly issued small employer plans. A member's assessment may not be reduced or increased by more than 50 percent as a result of using that formula, which includes a reasonable cap on assessments on any premium category or premium classification. The board of directors may provide for interim assessments as it considers necessary to appropriately carry out the association's responsibilities. The board of directors may establish operating rules to provide for changes in the assessment calculation.

Subd. 4. [ADDITIONAL ASSESSMENTS.] If the board of directors determines that the retrospective assessment formula described in subdivision 3 is insufficient to meet the obligations of the association, the board of directors shall assess each member not participating in the reinsurance association, but which is providing health plan coverage in the small employer market, in proportion to each member's respective share of the total insurance premiums, subscriber contract payments, health maintenance organization payments, and other health benefit plan revenue derived from or on behalf of small employers during the preceding calendar year. The assessment must be calculated by the board of directors based on annual statements and other reports considered necessary by the board of directors and filed by members with the association. The amount of the assessment may not exceed one percent of the member's small group market premium. Members who paid the retrospective assessment described in subdivision 3 are not subject to the additional assessment.

If the additional assessment is insufficient to meet the obligations of the association, the board of directors may assess members participating in the association who paid the retrospective assessment described in subdivision 3 up to an additional one percent of the member's small group market premium.

Subd. 5. [ABATEMENT OR DEFERMENT.] The association may abate or defer, in whole or in part, the retrospective assessment of a

member if, in the opinion of the commissioner, payment of the assessment would endanger the ability of the member to fulfill its contractual obligations or the member is placed under an order of rehabilitation, liquidation, receivership, or conservation by a court of competent jurisdiction. In the event that a retrospective assessment against a member is abated or deferred, in whole or in part, the amount by which the assessment is abated or deferred may be assessed against other members in accordance with the methodology specified in subdivisions 3 and 4.

Subd. 6. [REFUND.] The board of directors may refund to members, in proportion to their contributions, the amount by which the assets of the association exceed the amount the board of directors finds necessary to carry out its responsibilities during the next calendar year. A reasonable amount may be retained to provide funds for the continuing expenses of the association and for future losses.

Subd. 7. [APPEALS.] A health carrier may appeal to the commissioner of commerce within 30 days of notice of an assessment by the board of directors. A final action or order of the commissioner is subject to judicial review in the manner provided in chapter 14.

Subd. 8. [LIABILITY FOR ASSESSMENT.] Employer liability for other costs of a health carrier resulting from assessments made by the association under this section are limited by the rate spread restrictions specified in section 62L.08.

Sec. 23. [62L.23] [LOSS RATIO STANDARDS.]

Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, each policy or contract form used with respect to a health benefit plan offered, or issued in the small employer market, is subject, beginning July 1, 1993, to section 62A.021.

Sec. 24. [COMMISSIONER OF COMMERCE STUDY.]

The commissioner of commerce shall study and provide a written report and recommendations to the legislature that analyze the effects of this article and future measures that the legislature could enact to achieve the purpose set forth in section 62L.01, subdivision 3. The commissioner shall study, report, and make recommendations on the following:

(1) the effects of this article on availability of coverage, average premium rates, variations in premium rates, the number of uninsured and underinsured residents of this state, the types of health benefit plans chosen by employers, and other effects on the market for health benefit plans for small employers;

(2) the desirability and feasibility of achieving the goal stated in section 62L.01, subdivision 3, in the small employer market by means of the following timetable:

(i) as of July 1, 1994, a reduction of the age rating bands to 30 percent on each side of the index rate, accompanied by a proportional reduction of the general premium rating bands to 15 percent on each side of the index rate;

(ii) as of July 1, 1995, a reduction in the bands described in the preceding clause to 20 percent and ten percent respectively;

(iii) as of July 1, 1996, a reduction in the bands referenced in the preceding clause to ten percent and five percent respectively; and

(iv) as of July 1, 1997, a ban on all rating bands; and

(3) Any other aspects of the small employer market considered relevant by the commissioner.

The commissioner shall file the written report and recommendations with the legislature no later than December 1, 1993.

Sec. 25. [EFFECTIVE DATES.]

Sections 1 to 12 and 23 are effective July 1, 1993. Sections 13 to 22 are effective the day following final enactment.

ARTICLE 3

INSURANCE REFORM: INDIVIDUAL MARKET AND MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 11. [NAME.] Effective July 1, 1993, the name of the public employees insurance plan shall be the pooled employers insurance program. The pooled employers insurance program, as described in section 43A.317, is a continuation and expansion of the public employees insurance plan.

Sec. 2. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 12. [ELIGIBILITY AND COVERAGE.] Notwithstanding any contrary provision of section 43A.317, any group enrolled in the public employees insurance plan for a term extending beyond June 30, 1993, will become covered by the pooled employers insurance

program pursuant to the terms of the group's participation agreement with the public employees insurance plan. The commissioner of employee relations may provide such a group the option to convert to alternative coverage if available through the pooled employers insurance program. Upon the expiration of the group's participating agreement with the public employees insurance plan, the group may enroll in the pooled employers insurance program under section 43A.317, provided the group continues to meet the eligibility criteria that existed on June 30, 1993.

Sec. 3. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 13. [TRUST FUND.] Effective July 1, 1993, all assets and obligations of the public employees insurance trust fund are transferred to the pooled employers insurance trust fund, as described in section 43A.317, subdivision 9.

Sec. 4. [43A.317] [POOLED EMPLOYERS INSURANCE PROGRAM.]

Subdivision 1. [INTENT.] The legislature finds that the creation of a statewide program to provide employers with the advantages of a large pool for insurance purchasing would advance the welfare of the citizens of the state.

Subd. 2. [DEFINITIONS.] (a) [SCOPE.] For the purposes of this section, the terms defined have the meaning given them.

(b) [COMMISSIONER.] "Commissioner" means the commissioner of employee relations.

(c) [ELIGIBLE EMPLOYEE.] "Eligible employee" means an employee eligible to participate in the program under the terms described in subdivision 6.

(d) [ELIGIBLE EMPLOYER.] "Eligible employer" means an employer eligible to participate in the program under the terms described in subdivision 5.

(e) [ELIGIBLE INDIVIDUAL.] "Eligible individual" means a person eligible to participate in the program under the terms described in subdivision 6.

(f) [EMPLOYEE.] "Employee" means a common law employee of an eligible employer.

(g) [EMPLOYER.] "Employer" means a public or private person, firm, corporation, partnership, association, unit of local government,

or other entity actively engaged in business or public services. "Employer" includes both for-profit and nonprofit entities.

(h) [PROGRAM.] "Program" means the pooled employers insurance program created by this section.

(i) [PUBLIC EMPLOYER.] "Public employer" means an employer within the definition of section 179A.03, subdivision 15, that is a town, county, city, or school district as defined in section 120.02; educational cooperative service unit as defined in section 123.58; intermediate district as defined in section 136C.02, subdivision 7; cooperative center for vocational education as defined in section 123.351; regional management information center as defined in section 121.935; an education unit organized under a joint powers action under section 471.59; or another public employer approved by the commissioner.

Subd. 3. [ADMINISTRATION.] The commissioner shall, consistent with the provisions of this section, administer the program and determine its coverage options, funding and premium arrangements, contractual arrangements, and all other matters necessary to administer the program. The commissioner's contracting authority for the program, including authority for competitive bidding and negotiations, is governed by section 43A.23.

Subd. 4. [ADVISORY COMMITTEE.] The commissioner shall establish a ten-member advisory committee that includes five members who represent eligible employers and five members who represent eligible individuals. The committee shall advise the commissioner on issues related to administration of the program. The committee is governed by sections 15.014 and 15.059, and continues to exist while the program remains in operation.

Subd. 5. [EMPLOYER ELIGIBILITY.] (a) [PROCEDURES.] All employers are eligible for coverage through the program subject to the terms of this subdivision. The commissioner shall establish procedures for an employer to apply for coverage through the program.

(b) [TERM.] The initial term of an employer's coverage will be two years from the effective date of the employer's application. After that, coverage will be automatically renewed for additional two-year terms unless the employer gives notice of withdrawal from the program according to procedures established by the commissioner. The commissioner may establish conditions under which an employer may withdraw from the program prior to the expiration of a two-year term, including by reason of a midyear increase in health coverage premiums of 50 percent or more. An employer that withdraws from the program may not reapply for coverage for a period of two years from its date of withdrawal.

(c) [MINNESOTA WORK FORCE.] An employer is not eligible for coverage through the program if five percent or more of its eligible employees work primarily outside Minnesota, except that an employer may apply to the program on behalf of only those employees who work primarily in Minnesota.

(d) [EMPLOYEE PARTICIPATION; AGGREGATION OF GROUPS.] An employer is not eligible for coverage through the program unless its application includes all eligible employees who work primarily in Minnesota, except employees who waive coverage as permitted by subdivision 6. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.

(e) [PRIVATE EMPLOYER.] A private employer is not eligible for coverage unless it has two or more eligible employees in the state of Minnesota. If an employer has only two eligible employees, one employee must not be the spouse, child, sibling, parent, or grandparent of the other.

(f) [MINIMUM PARTICIPATION.] The commissioner may require as a condition of employer eligibility that:

(1) a minimum percentage of eligible employees are covered through the program; and

(2) the employer makes a minimum level of contribution toward the cost of coverage.

(g) [EMPLOYER CONTRIBUTION.] The commissioner may require as a condition of employer eligibility that the employer contribution toward the cost of coverage is structured in a way that promotes price competition among the coverage options available through the program.

(h) [ENROLLMENT CAP.] The commissioner may limit employer enrollment in the program if necessary to avoid exceeding the program's reserve capacity.

Subd. 6. [INDIVIDUAL ELIGIBILITY.] (a) [PROCEDURES.] The commissioner shall establish procedures for eligible employees and other eligible individuals to apply for coverage through the program.

(b) [EMPLOYEES.] An employer shall determine when it applies to the program the criteria its employees must meet to be eligible for coverage under its plan. An employer may subsequently change the criteria annually or at other times with approval of the commissioner. The criteria must provide that new employees become eligible

for coverage after a probationary period of at least 30 days, but no more than 90 days.

(c) [OTHER INDIVIDUALS.] An employer may elect to cover under its plan:

(1) the spouse, dependent children, and dependent grandchildren of a covered employee;

(2) a retiree who is eligible to receive a pension or annuity from the employer and a covered retiree's spouse, dependent children, and dependent grandchildren;

(3) the surviving spouse, dependent children, and dependent grandchildren of a deceased employee or retiree, if the spouse, children, or grandchildren were covered at the time of the death;

(4) a covered employee who becomes disabled, as provided in sections 62A.147 and 62A.148; or

(5) any other categories of individuals for whom group coverage is required by state or federal law.

An employer shall determine when it applies to the program the criteria individuals in these categories must meet to be eligible for coverage. An employer may subsequently change the criteria annually, or at other times with approval of the commissioner. The criteria for dependent children and dependent grandchildren may be no more inclusive than the criteria under section 43A.18, subdivision 2. This paragraph shall not be interpreted as relieving the program from compliance with any federal and state continuation of coverage requirements.

(d) [WAIVER AND LATE ENTRANCE.] An eligible individual may waive coverage at the time the employer joins the program or when coverage first becomes available. The commissioner may establish a preexisting condition exclusion of not more than 18 months for late entrants as defined in section 62L.02, subdivision 19.

(e) [CONTINUATION COVERAGE.] The program shall provide all continuation coverage required by state and federal law.

Subd. 7. [COVERAGE.] Coverage is available through the program beginning on July 1, 1993. At least annually, the commissioner shall solicit bids from carriers regulated under chapters 62A, 62C, and 62D, to provide coverage of eligible individuals. The commissioner shall provide coverage through contracts with carriers, unless the commissioner receives no reasonable bids from carriers.

(a) [HEALTH COVERAGE.] Health coverage is available to all employers in the program. The commissioner shall attempt to establish health coverage options that have strong care management features to control costs and promote quality and shall attempt to make a choice of health coverage options available. Health coverage for a retiree who is eligible for the federal Medicare program must be administered as though the retiree is enrolled in Medicare parts A and B. To the extent feasible as determined by the commissioner and in the best interests of the program, the commissioner shall model coverage after the plan established in section 43A.18, subdivision 2. Health coverage must include at least the benefits required of a carrier regulated under chapter 62A, 62C, or 62D for comparable coverage. Coverage under this paragraph must not be provided as part of the health plans available to state employees.

(b) [OPTIONAL COVERAGES.] In addition to offering health coverage, the commissioner may arrange to offer life, dental, and disability coverage through the program. Employers with health coverage may choose to offer one or more of these optional coverages according to the terms established by the commissioner. Life and disability insurance may be offered only to public employers.

(c) [OPEN ENROLLMENT.] The program must provide periodic open enrollments for eligible individuals for those coverages where a choice exists.

(d) [TECHNICAL ASSISTANCE.] The commissioner may arrange for technical assistance and referrals for eligible employers in areas such as health promotion and wellness, employee benefits structure, tax planning, and health care analysis services as described in section 62J.33.

Subd. 8. [PREMIUMS.] (a) [PAYMENTS.] Employers enrolled in the program shall pay premiums according to terms established by the commissioner. If an employer fails to make the required payments, the commissioner may cancel coverage and pursue other civil remedies.

(b) [RATING METHOD.] The commissioner shall determine the premium rates and rating method for the program. The rating method for eligible small employers must meet or exceed the requirements of chapter 62L. The rating methods must recover in premiums all of the ongoing costs for state administration and for maintenance of a premium stability and claim fluctuation reserve. Premiums must be established so as to recover and repay within three years after July 1, 1993, any direct appropriations received to provide start-up administrative costs. Premiums must be established so as to recover and repay within five years after July 1, 1993, any direct appropriations received to establish initial reserves. Premiums need not recover amounts received under section 353.65, subdivision 7.

(c) [TAX STATUS.] Premiums paid to the program are exempt from the tax imposed by sections 60A.15 and 60A.198. If the program obtains coverage for its enrollees from a carrier that is subject to the tax imposed by those sections, payments to the carrier for the coverage are subject to the tax.

Subd. 9. [POOLED EMPLOYERS INSURANCE TRUST FUND.] (a) [CONTENTS.] The pooled employer insurance trust fund in the state treasury consists of deposits received from eligible employers and individuals, contractual settlements or rebates relating to the program, investment income or losses, and direct appropriations.

(b) [APPROPRIATION.] All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other costs necessary to administer the program.

(c) [RESERVES.] For any coverages for which the program does not contract to transfer full financial responsibility, the commissioner shall establish and maintain reserves:

(1) for claims in process, incomplete and unreported claims, premiums received but not yet earned, and all other accrued liabilities; and

(2) to ensure premium stability and the timely payment of claims in the event of adverse claims experience. The reserve for premium stability and claim fluctuations must be established according to the standards of section 62C.09, subdivision 3, except that the reserve may exceed the upper limit under this standard until July 1, 1997.

(d) [INVESTMENTS.] The state board of investment shall invest the fund's assets according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.

Subd. 10. [PROGRAM STATUS.] The pooled employers insurance program is a state program to provide the advantages of a large pool for purchasing health coverage, other coverages, and related services from insurance companies, health maintenance organizations, and other organizations. The program and, where applicable, the employers enrolled in it do not constitute insurance within the meaning of state law and are not subject to chapters 60A, 62A, 62C, 62D, 62E, 62H, and 62L, section 471.617, subdivisions 2 and 3, and the bidding requirements of section 471.6161.

Subd. 11. [EVALUATION.] The commissioner shall report to the legislature on December 15, 1995, concerning the success of the program in fulfilling the intent of the legislature.

Sec. 5. [62A.011] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a nonprofit health service plan corporation operating under chapter 62C; a health maintenance organization operating under chapter 62D; a fraternal benefit society operating under chapter 64B; or a joint self-insurance employee health plan operating under chapter 62H.

Subd. 3. [HEALTH PLAN.] "Health plan" means a policy or certificate of accident and sickness insurance as defined in section 62A.01 offered by an insurance company licensed under chapter 60A; a subscriber contract or certificate offered by a nonprofit health service plan corporation operating under chapter 62C; a health maintenance contract or certificate offered by a health maintenance organization operating under chapter 62D; a health benefit certificate offered by a fraternal benefit society operating under chapter 64B; or health coverage offered by a joint self-insurance employee health plan operating under chapter 62H. Health plan means individual and group coverage, unless otherwise specified.

Sec. 6. Minnesota Statutes 1990, section 62A.02, subdivision 1, is amended to read:

Subdivision 1. [FILING.] No ~~policy of accident and sickness insurance~~ health plan as defined in section 62A.011 shall be issued or delivered to any person in this state, nor shall any application, rider, or endorsement be used in connection ~~therewith~~ with the health plan, until a copy of ~~the~~ its form ~~thereof~~ and of the classification of risks and the premium rates pertaining ~~thereto~~ to the form have been filed with the commissioner. The filing for nongroup ~~policies~~ health plan forms shall include a statement of actuarial reasons and data to support the ~~need for any premium~~ rate ~~increase~~. For health benefit plans as defined in section 62L.02, and for health plans to be issued to individuals, the health carrier shall file with the commissioner the information required in section 62L.08, subdivision 8. For group health plans for which approval is sought for sales only outside of the small employer market as defined in section 62L.02, this section applies only to policies or contracts of accident and sickness insurance. All forms intended for issuance in the individual or small employer market must be accompanied by a statement as to the expected loss ratio for the form. Premium rates and forms relating to specific insureds or proposed insureds, whether individuals or groups, need not be filed, unless requested by the commissioner.

Sec. 7. Minnesota Statutes 1990, section 62A.02, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] ~~No such policy~~ The health plan form shall not be issued, nor shall any application, rider, ~~or~~ endorsement, or rate be used in connection ~~therewith~~ with it, until the expiration of 60 days after it has been ~~so~~ filed unless the commissioner ~~shall sooner give written approval thereto~~ approves it before that time.

Sec. 8. Minnesota Statutes 1990, section 62A.02, subdivision 3, is amended to read:

Subd. 3. [STANDARDS FOR DISAPPROVAL.] The commissioner shall, within 60 days after the filing of any form or rate, disapprove the form or rate:

(1) if the benefits provided ~~therein~~ are ~~unreasonable~~ not reasonable in relation to the premium charged;

(2) if it contains a provision or provisions which are unjust, unfair, inequitable, misleading, deceptive or encourage misrepresentation of the ~~policy~~ health plan form, or otherwise does not comply with this chapter, chapter 62L, or chapter 72A; ~~or~~

(3) if the proposed premium rate is excessive ~~because the insurer has failed to exercise reasonable cost control~~ or not adequate; or

(4) the actuarial reasons and data submitted do not justify the rate.

The party proposing a rate has the burden of proving by a preponderance of the evidence that it does not violate this subdivision.

In determining the reasonableness of a rate, the commissioner shall also review all administrative contracts, service contracts, and other agreements to determine the reasonableness of the cost of the contracts or agreement and effect of the contracts on the rate. If the commissioner determines that a contract or agreement is not reasonable, the commissioner shall disapprove any rate that reflects any unreasonable cost arising out of the contract or agreement. The commissioner may require any information that the commissioner deems necessary to determine the reasonableness of the cost.

For the purposes of ~~clause (1)~~ this subdivision, the commissioner shall establish by rule a schedule of minimum anticipated loss ratios which shall be based on (i) the type or types of coverage provided, (ii) whether the policy is for group or individual coverage, and (iii) the size of the group for group policies. Except for individual policies of disability or income protection insurance, the minimum anticipated loss ratio shall not be less than 50 percent after the first year that a policy is in force. All applicants for a policy shall be informed in writing at the time of application of the anticipated loss ratio of the

policy. ~~For the purposes of this subdivision,~~ "Anticipated loss ratio" means the ratio at the time of ~~form~~ filing, at the time of notice of withdrawal under subdivision 4a, or at the time of subsequent rate revision of the present value of all expected future benefits, excluding dividends, to the present value of all expected future premiums. ~~Nothing in this paragraph shall prohibit the commissioner from disapproving a form which meets the requirements of this paragraph but which the commissioner determines still provides benefits which are unreasonable in relation to the premium charged.~~

If the commissioner notifies ~~an insurer which~~ a health carrier that has filed any form or rate that ~~the form~~ it does not comply with ~~the provisions of~~ this ~~section or sections 62A.03 to 62A.05 and 72A.20~~ chapter, chapter 62L, or chapter 72A, it shall be unlawful ~~thereafter~~ for the ~~insurer~~ health carrier to issue or use the form or ~~use it in connection with any policy~~ rate. In the notice the commissioner shall specify the reasons for disapproval and state that a hearing will be granted within 20 days after request in writing by the ~~insurer~~ health carrier.

The 60-day period within which the commissioner is to approve or disapprove the form or rate does not begin to run until a complete filing of all data and materials required by statute or requested by the commissioner has been submitted.

However, if the supporting data is not filed within 30 days after a request by the commissioner, the rate is not effective and is presumed to be an excessive rate.

Sec. 9. Minnesota Statutes 1990, section 62A.02, is amended by adding a subdivision to read:

Subd. 4a. [WITHDRAWAL OF APPROVAL.] The commissioner may, at any time after a 20-day written notice has been given to the insurer, withdraw approval of any form or rate that has previously been approved on any of the grounds stated in this section. It is unlawful for the health carrier to issue a form or rate or use it in connection with any health plan after the effective date of the withdrawal of approval. The notice of withdrawal of approval must advise the health carrier of the right to a hearing under the contested case procedures of chapter 14, and must specify the matters to be considered at the hearing.

The commissioner may request an health carrier to provide actuarial reasons and data, as well as other information, needed to determine if a previously approved rate continues to satisfy the requirements of this section. If the requested information is not provided within 30 days after request by the commissioner, the rate is presumed to be an excessive rate.

Sec. 10. Minnesota Statutes 1990, section 62A.02, is amended by adding a subdivision to read:

Subd. 5a. [HEARING.] The health carrier must request a hearing before the 20-day notice period has ended, or the commissioner's order is final. A request for hearing stays the commissioner's order until the commissioner notifies the health carrier of the result of the hearing. The commissioner's order may require the modification of any rate or form and may require continued coverage to persons covered under a health plan to which the disapproved form or rate applies.

Sec. 11. Minnesota Statutes 1990, section 62A.02, is amended by adding a subdivision to read:

Subd. 7. [RATES OPEN TO INSPECTION.] All rates and supplementary rate information furnished to the commissioner under this chapter shall, as soon as the rates are approved, be open to public inspection at any reasonable time.

Sec. 12. [62A.021] [HEALTH CARE POLICY RATES.]

Subdivision 1. [LOSS RATIO STANDARDS.] Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, a health care policy form or certificate form shall not be delivered or issued for delivery to an individual or to a small employer as defined in section 62L.02, unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to Minnesota policyholders and certificate holders in the form of aggregate benefits not including anticipated refunds or credits, provided under the policy form or certificate form, (1) at least 75 percent of the aggregate amount of premiums earned in the case of policies issued in the small employer market, as defined in section 62L.02, subdivision 27; and (2) at least 65 percent of the aggregate amount of premiums earned in the case of policies issued in the individual market, calculated on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and according to accepted actuarial principles and practices. A health carrier shall demonstrate that the third year loss ratio is greater than or equal to the applicable percentage. The applicable percentage for policy forms and certificate forms issued in the small employer market, as defined in section 62L.02, increases by one percentage point on July 1 of each year, until an 80 percent loss ratio is reached on July 1, 1998. The applicable percentage for policy forms and certificate forms issued in the individual market increases by one percentage point on July 1 of each year, until a 70 percent loss ratio is reached on July 1, 1998. Premiums earned and claims incurred in markets other than the small employer and individual markets are not relevant for purposes of this section.

All filings of rates and rating schedules shall demonstrate that actual expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards, and aggregate loss ratio from inception of the policy form or certificate form shall equal or exceed the appropriate loss ratio standards.

A health carrier that issues health care policies and certificates to individuals or to small employers, as defined in section 62L.02, in this state shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy form or certificate form duration for approval by the commissioner according to the filing requirements and procedures prescribed by the commissioner. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policy forms or certificate forms in force less than three years. If the data submitted does not confirm that the health carrier has satisfied the loss ratio requirements of this section, the commissioner shall notify the health carrier in writing of the deficiency. The health carrier shall have 30 days from the date of the commissioner's notice to file amended rates that comply with this section. If the health carrier fails to file amended rates within the prescribed time, the commissioner shall order that the health carrier's filed rates for the nonconforming policy form or certificate form be reduced to an amount that would have resulted in a loss ratio that complied with this section had it been in effect for the reporting period of the supplement. The health carrier's failure to file amended rates within the specified time or the issuance of the commissioner's order amending the rates does not preclude the health carrier from filing an amendment of its rates at a later time. The commissioner shall annually make the submitted data available to the public at a cost not to exceed the cost of copying. The data must be compiled in a form useful for consumers who wish to compare premium charges and loss ratios.

Each sale of a policy or certificate that does not comply with the loss ratio requirements of this section is an unfair or deceptive act or practice in the business of insurance and is subject to the penalties in sections 72A.17 to 72A.32.

For purposes of this section, health care policies issued as a result of solicitations of individuals through the mail or mass media

advertising, including both print and broadcast advertising, shall be treated as individual policies.

For purposes of this section, (1) "health care policy" or "health care certificate" is a health plan as defined in section 62A.011; and (2) "health carrier" has the meaning given in section 62A.011 and includes all health carriers delivering or issuing for delivery health care policies or certificates in this state or offering these policies or certificates to residents of this state.

Subd. 2. [COMPLIANCE AUDIT.] The commissioner has the authority to audit any health carrier to assure compliance with this section. Health carriers shall retain at their principal place of business information necessary for the commissioner to perform compliance audits.

Sec. 13. [62A.022] [UNIFORM CLAIMS FORMS AND BILLING PRACTICES.]

By January 1, 1993, the commissioner of commerce, in consultation with the commissioners of health and human services, shall establish and require uniform claims forms and uniform billing and record keeping practices applicable to all policies of accident and health insurance, group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, health maintenance contracts regulated under chapter 62D, and health benefit certificates offered through a fraternal benefit society regulated under chapter 64B, if issued or renewed to provide coverage to Minnesota residents.

Sec. 14. [62A.302] [COVERAGE OF DEPENDENTS.]

Subdivision 1. [SCOPE OF COVERAGE.] This section applies to all health plans as defined in section 62A.011.

Subd. 2. [REQUIRED COVERAGE.] Every health plan included in subdivision 1 that provides dependent coverage must define "dependent" no more restrictively than the definition provided in section 62L.02.

Sec. 15. [62A.303] [PROHIBITION; SEVERING OF GROUPS.]

Section 62L.12, subdivisions 1, 2, 3, and 4, apply to all employer group health plans, as defined in section 62A.011, regardless of the size of the group.

Sec. 16. Minnesota Statutes 1991 Supplement, section 62A.31, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or

group policy, certificate, subscriber contract issued by a health service plan corporation regulated under chapter 62C, or other evidence of accident and health insurance the effect or purpose of which is to supplement Medicare coverage issued or delivered in this state or offered to a resident of this state shall be sold or issued to an individual covered by Medicare unless the following requirements are met:

(a) The policy must provide a minimum of the coverage set out in subdivision 2;

(b) The policy must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage;

(c) The policy must contain a provision that the plan will not be canceled or nonrenewed on the grounds of the deterioration of health of the insured;

(d) Before the policy is sold or issued, an offer of both categories of Medicare supplement insurance has been made to the individual, together with an explanation of both coverages;

(e) An outline of coverage as provided in section 62A.39 must be delivered at the time of application and prior to payment of any premium;

(f)(1) The policy must provide that benefits and premiums under the policy shall be suspended at the request of the policyholder for the period, not to exceed 24 months, in which the policyholder has applied for and is determined to be entitled to medical assistance under title XIX of the Social Security Act, but only if the policyholder notifies the issuer of the policy within 90 days after the date the individual becomes entitled to this assistance;

(2) If suspension occurs and if the policyholder or certificate holder loses entitlement to this medical assistance, the policy shall be automatically reinstated, effective as of the date of termination of this entitlement, if the policyholder provides notice of loss of the entitlement within 90 days after the date of the loss;

(3) The policy must provide that upon reinstatement (i) there is no additional waiting period with respect to treatment of preexisting conditions, (ii) coverage is provided which is substantially equivalent to coverage in effect before the date of the suspension, and (iii) premiums are classified on terms that are at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had coverage not been suspended;

(g) The written statement required by an application for Medicare supplement insurance pursuant to section 62A.43, subdivision 1, shall be made on a form, approved by the commissioner, that states that counseling services may be available in the state to provide advice concerning the purchase of Medicare supplement policies and enrollment under the Medicaid program;

(h) No issuer of Medicare supplement policies, including policies that supplement Medicare issued by health maintenance organizations or those policies governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., in this state may impose preexisting condition limitations or otherwise deny or condition the issuance or effectiveness of any Medicare supplement insurance policy form available for sale in this state, nor may it discriminate in the pricing of such a policy, because of the health status, claims experience, receipt of health care, or medical condition of an applicant where an application for such insurance is submitted during the six-month period beginning with the first month in which an individual first enrolled for benefits under Medicare Part B;

(i) If a Medicare supplement policy replaces another Medicare supplement policy, the issuer of the replacing policy shall waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods in the new Medicare supplement policy for similar benefits to the extent the time was spent under the original policy;

(j) The policy has been filed with and approved by the department as meeting all the requirements of sections 62A.31 to 62A.44; and

(k) The policy guarantees renewability.

Only the following standards for renewability may be used in Medicare supplement insurance policy forms.

No issuer of Medicare supplement insurance policies may cancel or nonrenew a Medicare supplement policy or certificate for any reason other than nonpayment of premium or material misrepresentation.

If a group Medicare supplement insurance policy is terminated by the group policyholder and is not replaced as provided in this clause, the issuer shall offer certificate holders an individual Medicare supplement policy which, at the option of the certificate holder, provides for continuation of the benefits contained in the group policy; or provides for such benefits and benefit packages as otherwise meet the requirements of this clause.

If an individual is a certificate holder in a group Medicare

supplement insurance policy and the individual terminates membership in the group, the issuer of the policy shall offer the certificate holder the conversion opportunities described in this clause; or offer the certificate holder continuation of coverage under the group policy.

(l) Each health maintenance organization, health service plan corporation, insurer, or fraternal benefit society that sells coverage that supplements Medicare coverage shall establish a separate community rate for that coverage. Beginning January 1, 1993, no coverage that supplements Medicare or that is governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., may be offered, issued, sold, or renewed to a Minnesota resident, except at the community rate required by this paragraph.

For coverage that supplements Medicare and for the Part A rate calculation for plans governed by section 1833 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., the community rate may take into account only the following factors:

(1) actuarially valid differences in benefit designs or provider networks;

(2) geographic variations in rates if preapproved by the commissioner of commerce; and

(3) premium reductions in recognition of healty lifestyle behaviors, including but not limited to, refraining from the use of tobacco. Premium reductions must be actuarially valid and must relate only to those healthy lifestyle behaviors that have a proven positive impact on health. Factors used by the health carrier making this premium reduction must be filed with and approved by the commissioner of commerce.

Sec. 17. [62A.65] [INDIVIDUAL MARKET REGULATION.]

Subdivision 1. [APPLICABILITY.] No health carrier, as defined in chapter 62L, shall offer, sell, issue, or renew any individual policy of accident and sickness coverage, as defined in section 62A.01, subdivision 1, any individual subscriber contract regulated under chapter 62C, any individual health maintenance contract regulated under chapter 62D, any individual health benefit certificate regulated under chapter 64B, or any individual health coverage provided by a multiple employer welfare arrangement, to a Minnesota resident except in compliance with this section. For purposes of this section, "health benefit plan" has the meaning given in chapter 62L, except that the term means individual coverage, including family coverage, rather than employer group coverage. This section does not apply to the comprehensive health association established in section 62E.10 or to coverage described in section 62A.31, subdivision 1, paragraph

(h), or to long-term care policies as defined in section 62A.46, subdivision 2.

Subd. 2. [GUARANTEED RENEWAL.] No health benefit plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health benefit plan provides that the plan is guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health benefit plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health benefit plan may be subject to refusal to renew only under the conditions provided in chapter 62L.

Subd. 3. [PREMIUM RATE RESTRICTIONS.] No health benefit plan may be offered, sold, issued, or renewed to a Minnesota resident unless the premium rate charged is determined in accordance with the rating and premium restrictions provided under chapter 62L, except the minimum loss ratio applicable to individual coverage is as provided in section 62A.021. All provisions of chapter 62L apply to rating and premium restrictions in the individual market, unless clearly inapplicable to the individual market.

Subd. 4. [GENDER RATING PROHIBITED.] No health benefit plan offered, sold, issued, or renewed to a Minnesota resident may determine the premium rate or any other underwriting decision, including initial issuance, on the gender of any person covered or to be covered under the health benefit plan.

Subd. 5. [PORTABILITY OF COVERAGE.] (a) No health benefit plan may be offered, sold, issued, or renewed to a Minnesota resident that contains a preexisting condition limitation or exclusion, unless the limitation or exclusion would be permitted under chapter 62L. The individual may be treated as a late entrant, as defined in chapter 62L, unless the individual has maintained continuous coverage as defined in chapter 62L. An individual who has maintained continuous coverage may be subjected to a one-time preexisting condition limitation as permitted under chapter 62L for persons who are not late entrants, at the time that the individual first is covered by individual coverage. Thereafter, the person must not be subject to any preexisting condition limitation, except an unexpired portion of a limitation under prior coverage, so long as the individual maintains continuous coverage.

(b) A health carrier must offer individual coverage to any individual previously covered under a group health benefit plan issued by that health carrier, so long as the individual maintained continuous coverage as defined in chapter 62L. Coverage issued under this paragraph must not contain any preexisting condition limitation or exclusion, except for any unexpired limitation or exclusion under the previous coverage. The initial premium rate for the individual

coverage must comply with subdivision 3. The premium rate upon renewal must comply with subdivision 2.

Subd. 6. [GUARANTEED ISSUE NOT REQUIRED.] Nothing in this section requires a health carrier to initially issue a health benefit plan to a Minnesota resident, except as otherwise expressly provided in subdivision 4 or 5.

Sec. 18. Minnesota Statutes 1990, section 62E.02, subdivision 23, is amended to read:

Subd. 23. "Contributing member" means those companies ~~operating pursuant to~~ regulated under chapter 62A and offering, selling, issuing, or renewing policies or contracts of accident and health insurance ~~or~~, health maintenance organizations ~~and~~ regulated under chapter 62D, nonprofit health service plan corporations ~~incorporated~~ regulated under chapter 62C ~~or~~, fraternal benefit ~~society operating~~ societies regulated under chapter 64B, and joint self-insurance plans regulated under chapter 62H. For the purposes of determining liability of contributing members pursuant to section 62E.11 payments received from or on behalf of Minnesota residents for coverage by a health maintenance organization shall be considered to be accident and health insurance premiums.

Sec. 19. Minnesota Statutes 1990, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. [CREATION; TAX EXEMPTION.] There is established a comprehensive health association to promote the public health and welfare of the state of Minnesota with membership consisting of all insurers, self-insurers, fraternals, joint self-insurance plans regulated under chapter 62H, and health maintenance organizations licensed or authorized to do business in this state. The comprehensive health association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation.

Sec. 20. Minnesota Statutes 1990, section 62E.11, subdivision 9, is amended to read:

Subd. 9. Each contributing member that terminates individual health coverage ~~regulated under chapter 62A, 62C, 62D, or 64B~~ for reasons other than (a) nonpayment of premium; (b) failure to make copayments; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and does not provide or arrange for replacement coverage that meets the requirements of section 62D.121; shall pay a special assessment to the state plan based upon the number of terminated individuals who join the comprehensive health insurance plan as authorized under section 62E.14, subdivisions 1, paragraph (d), and 6. Such a contributing member shall pay

the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees multiplied by the total number of terminated enrollees who enroll in the state plan.

The average cost of an enrollee in the state comprehensive health insurance plan shall be determined by dividing the state plan's total annual losses by the total number of enrollees from that year. This cost will be assessed to the contributing member who has terminated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

In the event that the contributing member is terminating health coverage because of a loss of health care providers, the commissioner may review whether or not the special assessment established under this subdivision will have an adverse impact on the contributing member or its enrollees or insureds, including but not limited to causing the contributing member to fall below statutory net worth requirements. If the commissioner determines that the special assessment would have an adverse impact on the contributing member or its enrollees or insureds, the commissioner may adjust the amount of the special assessment, or establish alternative payment arrangements to the state plan. For health maintenance organizations regulated under chapter 62D, the commissioner of health shall make the determination regarding any adjustment in the special assessment and shall transmit that determination to the commissioner of commerce.

Sec. 21. Minnesota Statutes 1990, section 62E.11, is amended by adding a subdivision to read:

Subd. 12. [FUNDING.] Notwithstanding subdivision 5, the claims expenses and operating and administrative expenses of the association incurred on or after January 1, 1994 shall be paid from the health care access account established in section 16A.724, to the extent appropriated for that purpose by the legislature. Any such expenses not paid from that account shall be paid as otherwise provided in this section. All contributing members shall adjust their premium rates to fully reflect funding provided under this subdivision. The commissioner of commerce shall require contributing members to prove compliance with this rate adjustment requirement.

Sec. 22. [62E.141] [INCLUSION IN EMPLOYER-SPONSORED PLAN.]

No employee, or dependent of an employee, of an employer who offers a health benefit plan, under which the employee or dependent is eligible to enroll under chapter 62L, is eligible to enroll, or continue to be enrolled, in the comprehensive health association,

except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation or exclusion under the employer's health benefit plan. This section does not apply to persons enrolled in the comprehensive health association as of June 30, 1993.

Sec. 23. Minnesota Statutes 1990, section 62H.01, is amended to read:

62H.01 [JOINT SELF-INSURANCE EMPLOYEE HEALTH PLAN.]

Any ~~three~~ two or more employers, excluding the state and its political subdivisions as described in section 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure employee health, dental, or short-term disability benefits. Joint plans must have a minimum of ~~250~~ 100 covered employees and meet all conditions and terms of sections 62H.01 to 62H.08. Joint plans covering employers not resident in Minnesota must meet the requirements of sections 62H.01 to 62H.08 as if the portion of the plan covering Minnesota resident employees was treated as a separate plan. A plan may cover employees resident in other states only if the plan complies with the applicable laws of that state.

A multiple employer welfare arrangement as defined in United States Code, title 29, section 1002(40)(a), is subject to this chapter to the extent authorized by the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq.

Sec. 24. [REQUEST FOR ERISA EXEMPTION.]

The commissioner of commerce shall request and diligently pursue an exemption from the federal preemption of state laws relating to health coverage provided under employee welfare benefit plans under the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1144. The scope of the exemption should permit the state to:

(1) require that employers participate in a state payroll withholding system designed to pay for health coverage for employees and dependents;

(2) regulate self-insured health plans to the same extent as insurance companies; and

(3) enact or adopt other state laws relating to health coverage that would, in the judgment of the commissioner of commerce, further the public policies of this state.

In determining the scope of the exemption request and in request-

ing and pursuing the exemption, the commissioner of commerce shall seek the advice and assistance of the legislative commission on health care access. The commissioner shall report in writing to that commission at least quarterly regarding the status of the exemption request.

Sec. 25. [COMMISSIONER OF COMMERCE STUDY.]

The commissioner of commerce shall study the operation of the individual market and shall file a report and recommendations with the legislature, no later than December 15, 1992. The study, report, and recommendations must:

(1) evaluate the extent to which the individual market and the state's regulation of it can achieve the goals provided in Minnesota Statutes, section 62L.01, subdivision 3;

(2) evaluate the need for and feasibility of a guaranteed issue requirement in the individual market;

(3) make recommendations regarding the future of the comprehensive health association.

Sec. 26. [STUDY OF HEALTHY LIFESTYLE PREMIUM REDUCTIONS.]

The commissioner of commerce shall study and make recommendations to the legislature regarding whether health benefits plans, as defined in section 62L.02, but including both individual and group plans, should be permitted or required to offer premium discounts in recognition of and to encourage healthy lifestyle behaviors. The commissioner shall file the recommendations with the legislature on or before December 15, 1992. The commissioner shall make recommendations regarding:

(1) the types of lifestyle behaviors, including but not limited to, nonuse of tobacco, nonuse of alcohol, and regular exercise appropriate to the person's age and health status, that should be eligible for premium discounts;

(2) the level or amounts of premium discounts that should be permitted or required, including appropriateness of premium discounts of up to 25 percent of the premium;

(3) the actuarial justification that the commissioner should require for premium reductions;

(4) the extent to which health carriers can monitor compliance with promised lifestyle behaviors and whether new legislation could increase the monitoring ability or reduce its cost; and

(5) any favorable or adverse impacts on the individual or small group market. Any data on individuals collected under this section and received by the commissioner, which has not previously been public data, is private data on individuals.

This section shall not be interpreted as prohibiting any premium discounts approved under current law by the commissioner of commerce or by the commissioner of health or permitted under this act.

Sec. 27. [REPEALER.]

(a) Minnesota Statutes 1990, sections 62A.02, subdivisions 4 and 5; 62E.51; 62E.52; 62E.53; 62E.54; and 62E.55, are repealed.

(b) Minnesota Statutes 1990, section 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; and Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9, are repealed effective July 1, 1993.

Sec. 28. [EFFECTIVE DATE.]

Section 16 is effective July 30, 1992. Sections 1 to 12, 14, 15, 17, 22, and 27 are effective July 1, 1993. Sections 24, 25, and 26 are effective the day following final enactment.

ARTICLE 4

CHILDREN'S HEALTH PLAN EXPANSION

Section 1. [256.362] [REPORTS AND IMPLEMENTATION.]

Subdivision 1. [WELLNESS COMPONENT.] The commissioners of human services and health shall recommend to the legislature, by January 1, 1993, methods to incorporate discounts for wellness factors of up to 25 percent into the health right plan premium sliding scale. Beginning October 1, 1992, the commissioner of human services shall inform health right plan enrollees of the future availability of the wellness discount, and shall encourage enrollees to incorporate wellness factors into their lifestyles.

Subd. 2. [FEDERAL HEALTH INSURANCE CREDIT.] By October 1, 1992, the commissioners of human services and revenue shall apply for any federal waivers or approvals necessary to allow enrollees in state health care programs to assign the federal health insurance credit component of the earned income tax credit to the state.

Subd. 3. [COORDINATION OF MEDICAL ASSISTANCE AND THE HEALTH RIGHT PLAN.] The commissioner shall develop and implement a plan to combine medical assistance and health right

plan application and eligibility procedures. The plan may include the following changes: (1) use of a single mail-in application; (2) elimination of the requirement for personal interviews; (3) postponing notification of paternity disclosure requirements; (4) modifying verification requirements for pregnant women and children; (5) using shorter forms for recertifying eligibility; (6) expedited and more efficient eligibility determinations for applicants; (7) expanded outreach efforts, including combined marketing of the two plans; and (8) other changes that improve access to services provided by the two programs. The plan may include seeking the following changes in federal law: (1) extension and expansion of exemptions for different eligibility groups from Medicaid quality control sanctions; (2) changing requirements for the redetermination of eligibility; (3) eliminating asset tests for all children; and (4) other changes that improve access to services provided by the two programs. The commissioner shall seek any necessary federal approvals, and any necessary changes in federal law. The commissioner shall implement each element of the plan as federal approval is received, and shall report to the legislature by January 1, 1993, on progress in implementing this plan.

Subd. 4. [PLAN FOR MANAGED CARE.] By January 1, 1993, the commissioner of human services shall present a plan to the legislature for providing all medical assistance and health right plan services through managed care arrangements. The commissioner shall apply to the secretary of health and human services for any necessary federal waivers or approvals, and shall begin to implement the plan for managed care upon receipt of the federal waivers or approvals.

Subd. 5. [REPORT ON PURCHASES AT FULL COST.] By January 1, 1994, the commissioner shall report to the legislature on the effect on average overall premium cost for the health right plan of allowing families who are not eligible for a subsidy to enroll in the health right plan at 100 percent of premium cost. The commissioner shall recommend whether enrollment for this group should be continued. By January 1, 1995, the commissioner shall report to the legislature on the effect on average overall premium cost for the health right plan of allowing individuals who are not eligible for a subsidy to enroll in the health right plan at 100 percent of premium cost. The commissioner shall recommend whether enrollment for this group should be continued.

Sec. 2. Minnesota Statutes 1990, section 256.936, subdivision 1, is amended to read:

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

(a) ~~"Eligible persons" means children who are one year of age or older but less than 18 years of age who have gross family incomes~~

~~that are equal to or less than 185 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B or general assistance medical care under chapter 256D and who are not otherwise insured for the covered services. The period of eligibility extends from the first day of the month in which the child's first birthday occurs to the last day of the month in which the child becomes 18 years old.~~

~~(b) "Covered services" means children's health services.~~

~~(c) "Children's health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, special education services, private duty nursing services, orthodontic services, medical transportation services, personal care assistant and case management services, hospice care services, nursing home or intermediate care facilities services, inpatient mental health services, outpatient mental health services in excess of $1,000 per enrolled child per 12-month eligibility period, and chemical dependency services. Outpatient mental health services covered under the children's health plan are limited to diagnostic assessments, psychological testing, explanation of findings, and individual, family, and group psychotherapy.~~

~~(d)~~ "Eligible providers" means those health care providers who provide ~~children's~~ covered health services to medical assistance recipients under rules established by the commissioner for that program. Reimbursement under this section shall be at the same rates and conditions established for medical assistance.

~~(e)~~ (b) "Commissioner" means the commissioner of human services.

~~(f)~~ (c) "Gross family income" for farm and nonfarm self-employed means income calculated using as the baseline the adjusted gross income reported on the applicant's federal income tax form for the previous year and adding back in reported depreciation, carryover loss, and net operating loss amounts that apply to the business in which the family is currently engaged. Applicants shall report the most recent financial situation of the family if it has changed from the period of time covered by the federal income tax form. The report may be in the form of percentage increase or decrease.

Sec. 3. Minnesota Statutes 1990, section 256.936, subdivision 2, is amended to read:

Subd. 2. [PLAN ADMINISTRATION.] The ~~children's~~ health right plan is established to promote access to appropriate ~~primary~~ health care services to assure healthy children and adults. The commissioner shall establish an office for the state administration of this plan. The plan shall be used to provide ~~children's~~ covered health services for eligible persons. Payment for these services shall be

made to all eligible providers. The commissioner ~~may~~ shall adopt rules to administer ~~this section~~ the health right plan. The commissioner shall establish marketing efforts to encourage potentially eligible persons to receive information about the program and about other medical care programs administered or supervised by the department of human services. A toll-free telephone number must be used to provide information about medical programs and to promote access to the covered services. The commissioner shall manage spending for the health right plan in a manner that maintains a minimum reserve equal to five percent of the expected cost of state premium subsidies. The commissioner must make a quarterly assessment of the expected expenditures for the covered services and the appropriation. Based on this assessment the commissioner may limit enrollments and target ~~former aid to families with dependent children recipients~~ specific groups of eligible persons by first limiting enrollment to persons with gross annual incomes at or below 185 percent of the poverty level upon 30-day notice in the State Register. If sufficient money is not available to cover all costs incurred in one quarter, the commissioner may seek an additional authorization for funding from the legislative advisory committee.

The commissioner shall adopt emergency rules to govern implementation of this section. Notwithstanding section 14.35, the emergency rules adopted under this section shall remain in effect for 720 days.

Sec. 4. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 2a. [COVERED HEALTH SERVICES.] (a) [COVERED SERVICES.] "Covered health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, special education services, private duty nursing services, orthodontic services, medical transportation services, personal care assistant and case management services, hospice care services, nursing home or intermediate care facilities services, inpatient mental health services, outpatient mental health services in excess of $1,000 per enrollee per 12-month eligibility period, and chemical dependency services. Outpatient mental health services covered under the health right plan are limited to diagnostic assessments, psychological testing, explanation of findings, and individual, family, and group psychotherapy. Medication management by a physician is not subject to the $1,000 limitation on outpatient mental health services. Covered health services shall be expanded as provided in paragraphs (b) and (c).

(b) [ALCOHOL AND DRUG DEPENDENCY.] Beginning October 1, 1992, covered health services shall include up to ten hours per year of individual outpatient treatment of alcohol or drug depen-

dency by a qualified health professional or outpatient program. Two hours of group treatment count as one hour of individual treatment.

Persons who may need chemical dependency services under the provisions of this chapter shall be assessed by a local agency as defined under section 254B.01, and under the assessment provisions of section 254A.03, subdivision 3. Persons who are recipients of medical benefits under the provisions of this chapter and who are financially eligible for consolidated chemical dependency treatment fund services provided under the provisions of chapter 254B shall receive chemical dependency treatment services under the provisions of chapter 254B only if:

(1) they have exhausted the chemical dependency benefits offered under this chapter; or

(2) an assessment indicates that they need a level of care not provided under the provisions of this chapter.

(c) [INPATIENT HOSPITAL SERVICES.] Beginning July 1, 1993, covered health services shall include inpatient hospital services, subject to any copayment or benefit limitations specified by the commissioner, including those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spend-down. The commissioner shall provide enrollees with at least 60 days' notice of coverage for inpatient hospital services and any premium increase associated with the inclusion of this benefit.

(d) [EMERGENCY MEDICAL TRANSPORTATION SERVICES.] Beginning July 1, 1993, covered health services shall include emergency medical transportation services.

(e) [FEDERAL WAIVERS AND APPROVALS.] The commissioner shall coordinate the provision of hospital inpatient services under the health right plan with enrollee eligibility under the medical assistance spend-down, and shall apply to the secretary of health and human services for any necessary federal waivers or approvals.

(f) [COPAYMENTS AND DEDUCTIBLES; PREMIUM LIMITS.] The health right benefit plan shall include a system of copayments and deductibles to limit monthly premiums to no more than: $144 for a household of one, $288 for a household of two, and $432 for a household of three or more.

Sec. 5. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 2b. [ELIGIBLE PERSONS.] (a) [CHILDREN.] "Eligible persons" means children who are one year of age or older but less

than 18 years of age who have gross family incomes that are equal to or less than 185 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B and who are not otherwise insured for the covered services. The period of eligibility extends from the first day of the month in which the child's first birthday occurs to the last day of the month in which the child becomes 18 years old. Eligibility for the health right plan shall be expanded as provided in paragraphs (b) to (e). Under paragraphs (b) to (e), parents who enroll in the health right plan must also enroll their children and dependent siblings, if the children and their dependent siblings are eligible. Children and dependent siblings may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. Families cannot choose to enroll only certain uninsured members. For purposes of this subdivision, a "dependent sibling" means an unmarried child who is a full-time student under the age of 25 years who is financially dependent upon his or her parents. Proof of school enrollment will be required.

(b) [FAMILIES WITH CHILDREN.] Beginning October 1, 1992, "eligible persons" means children eligible under paragraph (a), and parents and dependent siblings residing in the same household as a child eligible under paragraph (a). Individuals who initially enroll in the health right plan under the eligibility criteria in this paragraph shall remain eligible for the health right plan, regardless of age, place of residence, or the presence or absence of children in the same household, as long as all other eligibility requirements are met and continuous enrollment in the health right plan is maintained.

(c) [CONTINUATION OF ELIGIBILITY.] Beginning October 1, 1992, individuals who initially enrolled in the health right plan under the eligibility criteria in paragraph (a) or (b) remain eligible even if their gross income after enrollment exceeds 185 percent of the federal poverty guidelines, subject to any premium required under subdivision 4a, as long as all other eligibility requirements are met and continuous enrollment in the health right plan is maintained.

(d) [FAMILIES WITH CHILDREN; ELIGIBILITY BASED ON PERCENTAGE OF INCOME PAID FOR HEALTH COVERAGE.] Beginning January 1, 1993, "eligible persons" means children, parents, and dependent siblings residing in the same household who are not eligible for medical assistance under chapter 256B. These persons are eligible for coverage through the health right plan but must pay a premium as determined under subdivisions 4a and 4b. Individuals and families whose cost of coverage under the health right plan in relation to the family's income is less than the percentage limit established under subdivision 4b may enroll in the

health right plan but are not eligible for a state subsidy and must pay the entire cost of coverage. Individuals who initially enroll in the health right plan under the eligibility criteria in this paragraph remain eligible for the health right plan, regardless of age, place of residence within Minnesota, or the presence or absence of children in the same household, as long as all other eligibility requirements are met and continuous enrollment in the health right plan is maintained.

(e) [ADDITION OF SINGLE ADULTS AND HOUSEHOLDS WITH NO CHILDREN.] Beginning July 1, 1994, "eligible persons" means all families and individuals who are not eligible for medical assistance under chapter 256B. These persons are eligible for coverage through the health right plan but must pay a premium as determined under subdivisions 4a and 4b. Individuals and families whose cost of coverage under the health right plan in relation to their income is less than the percentage determined under subdivision 4b may enroll in the health right plan but are not eligible for subsidized premiums and must pay the entire cost of coverage.

Sec. 6. Minnesota Statutes 1990, section 256.936, subdivision 3, is amended to read:

Subd. 3. [APPLICATION PROCEDURES.] Applications and other information must be made available to provider offices, local human services agencies, school districts, public and private elementary schools in which 25 percent or more of the students receive free or reduced price lunches, community health offices, and Women, Infants and Children (WIC) program sites. These sites may accept applications, collect the enrollment fee or initial premium fee, and forward the forms and fees to the commissioner. Otherwise, applicants may apply directly to the commissioner. The commissioner ~~may~~ shall use individuals' social security numbers as identifiers for purposes of administering the plan and conduct data matches to verify income. Applicants shall submit evidence of family income, earned and unearned, that ~~will be used~~ is necessary to verify income eligibility. The commissioner shall perform random audits to verify reported income and eligibility. The commissioner may execute data sharing arrangements with the department of revenue and any other governmental agency in order to perform income verification related to eligibility and premium payment under the health right plan. The effective date of coverage is the first day of the month following the month in which a complete application is entered to the eligibility file and the first premium payment has been received. Benefits are not available until the day following discharge if an enrollee is hospitalized on the first day of coverage. Notwithstanding any other law to the contrary, benefits under this section are secondary to a plan of insurance or benefit program under which an eligible person may have coverage and the commissioner shall use cost avoidance techniques to ensure coordination of any other health coverage for eligible persons. The commissioner shall identify eligi-

ble persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance.

Sec. 7. Minnesota Statutes 1990, section 256.936, subdivision 4, is amended to read:

Subd. 4. [ENROLLMENT AND PREMIUM FEE.] (a) [ENROLLMENT FEE.] Until October 1, 1992, an annual enrollment fee of $25, not to exceed $150 per family, is required from eligible persons for ~~children's~~ covered health services.

(b) [PREMIUM PAYMENTS.] Beginning October 1, 1992, the commissioner shall require health right plan enrollees to pay a premium based on a sliding scale, as established under subdivision 4a. Applicants who are eligible under subdivision 2b, paragraph (a), are exempt from this requirement until July 1, 1993, if the application is received by the health right plan staff on or before September 30, 1992. Before July 1, 1993, these individuals shall continue to pay the annual enrollment fee required by paragraph (a).

(c) [ADMINISTRATION.] Enrollment and premium fees are dedicated to the commissioner for the ~~children's~~ health right plan ~~program~~. The commissioner shall make an annual redetermination of continued eligibility and identify people who may become eligible for medical assistance. The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments, based upon changes in enrollee income; and (3) disenroll enrollees from the health right plan for failure to pay required premiums. Premiums are calculated on a calendar month basis and may be paid on a monthly or quarterly basis, with the first quarterly payment due upon notice from the commissioner of the premium amount required. Premium payment is required before enrollment is complete and to maintain eligibility in the health right plan. Nonpayment of the premium will result in disenrollment from the plan within one calendar month after the due date. Persons disenrolled for nonpayment may not reenroll until four calendar months have elapsed.

Sec. 8. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 4a. [ELIGIBILITY FOR SUBSIDIZED PREMIUMS BASED ON SLIDING SCALE.] (a) [GENERAL REQUIREMENTS.] Families and individuals who enroll on or after October 1, 1992, are eligible for subsidized premium payments based on a sliding scale under subdivision 4b only if the family or individual meets the requirements in paragraphs (b) to (d). Children and families already enrolled in the health right plan as of September 30, 1992, are eligible for subsidized premium payments without meeting these requirements, as long as they maintain continuous coverage in the health right plan or medical assistance.

(b) [MUST NOT HAVE ACCESS TO EMPLOYER-SUBSIDIZED COVERAGE.] To be eligible for subsidized premium payments based on a sliding scale, a family or individual must not have access to subsidized health coverage through an employer, and must not have had access to subsidized health coverage through the current employer for the 18 months prior to application for subsidized coverage under the health right plan. For purposes of this requirement, subsidized health coverage means health coverage for which the employer pays at least 50 percent of the cost of coverage for the employee, excluding dependent coverage, or a higher percentage as specified by the commissioner. Children who are eligible for employer-subsidized coverage through either parent, including the noncustodial parent, are not eligible for subsidized premium payments. The commissioner must treat employer contributions to Internal Revenue Code Section 125 plans as qualified employer subsidies toward the cost of health coverage for employees for purposes of this paragraph.

(c) [MUST BE A PERMANENT MINNESOTA RESIDENT.] To be eligible for subsidized premium payments based on a sliding scale, families and individuals must be permanent residents of Minnesota. A permanent Minnesota resident is a Minnesota resident who considers Minnesota to be the person's principal place of residence and intends to remain in the state permanently or for a long period of time and not as a temporary or short-term resident. An individual or family that moved to Minnesota primarily to obtain medical treatment or health coverage for a preexisting condition is not a permanent resident and is not entitled to subsidized coverage through the health right plan.

(d) [PERIOD UNINSURED.] To be eligible for subsidized premium payments based on a sliding scale, families and individuals initially enrolled in the health right plan under subdivision 2b, paragraphs (d) and (e), must have had no health coverage for at least four months prior to application. The commissioner may change this eligibility criterion for sliding scale premiums without complying with rulemaking requirements in order to remain within the limits of available appropriations. The requirement of at least four months of no health coverage prior to application for the health right plan does not apply to families, children, and individuals who want to apply for the health right plan upon termination from the medical assistance program, general assistance medical care program, or coverage under a regional demonstration project for the uninsured funded under section 256B.73, the Hennepin county assured care program, or the Group Health, Inc., community health plan. This paragraph does not apply to families and individuals initially enrolled under subdivision 2b, paragraphs (a) and (b).

Sec. 9. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 4b. [PREMIUMS.] (a) Each individual or family enrolled in the health right plan shall pay a premium determined according to a sliding fee based on the cost of coverage as a percentage of the individual's or family's gross family income.

(b) The commissioner shall establish sliding scales to determine the percentage of gross family income that households at different income levels must pay to obtain coverage through the health right plan. The sliding scale must be based on the enrollee's gross family income, as defined in subdivision 1, paragraph (c), during the previous four months. The sliding scale must provide separate sliding scales for individuals, two-person households, and households of three or more.

(c) Beginning July 1, 1993, the sliding scales begin with a premium of 1.5 percent of gross family income for individuals with incomes below the limits for the medical assistance program set at 133-1/3 percent of the AFDC payment standard and proceed through the following evenly spaced steps: 1.9, 2.5, 3.3, 4.1, 5.2, 6.4, 8.0, and 9.5. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit to a gross monthly income of $1,600 for an individual, $2,160 for a household of two, $2,720 for a household of three, $3,280 for a household of four, $3,840 for a household of five, and $4,400 for households of six or more persons. For the period October 1, 1992 through June 30, 1993, the commissioner shall employ a sliding scale that sets required premiums at percentages of gross family income equal to two-thirds of the percentages specified in this paragraph.

(d) An individual or family whose gross monthly income is above the amount specified in paragraph (c) is not eligible for a subsidy but may enroll in the plan by paying the entire cost of coverage.

(e) The premium for coverage under the health right plan may be collected through wage withholding with the consent of the employer and the employee.

(f) The sliding fee scale and percentages are not subject to the provisions of chapter 14.

Sec. 10. Minnesota Statutes 1991 Supplement, section 256.936, subdivision 5, is amended to read:

Subd. 5. [APPEALS.] If the commissioner suspends, reduces, or terminates eligibility for the ~~children's~~ health right plan, or services provided under the ~~children's~~ health right plan, the commissioner must provide notification according to the laws and rules governing the medical assistance program. A ~~children's~~ health right plan applicant or enrollee aggrieved by a determination of the commissioner has the right to appeal the determination according to section 256.045.

Sec. 11. Minnesota Statutes 1990, section 256B.057, is amended by adding a subdivision to read:

Subd. 2a. [NO ASSET TEST FOR CHILDREN.] Eligibility for medical assistance for a person under age 21 must be determined without regard to asset standards established in section 256B.056.

Sec. 12. [256B.0644] [PARTICIPATION REQUIRED FOR REIMBURSEMENT UNDER OTHER STATE HEALTH CARE PROGRAMS.]

Subdivision 1. [PARTICIPATION REQUIREMENT.] A vendor of medical care, as defined in section 256B.02, subdivision 7; a health maintenance organization, as defined in chapter 62D; and a nonprofit health service plan corporation, as defined in chapter 62C, must participate as a provider or contractor in the medical assistance program, general assistance medical care program, and the health right plan as a condition of participating as a provider in health insurance plans or contractor for state employees established under section 43A.18, the public employees insurance plan under section 43A.316, the workers' compensation system under section 176.135, and insurance plans provided through the Minnesota comprehensive health association under sections 62E.01 to 62E.17. Participation in the medical assistance program means that the providers and contractors do not place limits which would prevent at least 20 percent of their practice to be reimbursed under medical assistance, general assistance medical care, and the health right plan. The commissioner shall provide lists of participating medical assistance providers on a quarterly basis to the commissioner of employee relations, the commissioner of labor and industry, and the commissioner of commerce. Each of the commissioners shall develop and implement procedures to exclude as participating providers in the program or programs under their jurisdiction those providers who do not participate in the medical assistance program.

Subd. 2. [CONTINGENT EFFECTIVE DATE.] This section becomes effective July 1, 1993, if the commissioner of human services determines that access to health care services by medical assistance recipients has not improved as a result of increased provider reimbursement enacted by the legislature. The commissioner shall report to the legislature on the numbers of physicians and dentists participating in the medical assistance program by geographic regions of the state no later than March 15, 1993.

Sec. 13. [COORDINATION OF STATE HEALTH CARE PURCHASING.]

The commissioner of administration shall convene an interagency task force to develop a plan for coordinating the health care programs administered by state agencies and local governments in order to improve the efficiency and quality of health care delivery

and make the most effective use of the state's market leverage and expertise in contracting and working with health plans and health care providers. The commissioner shall present to the legislature, by January 1, 1994, recommendations to: (1) improve the effectiveness of public health care purchasing; and (2) streamline and consolidate health care delivery, through merger, transfer, or reconfiguration of existing health care and health coverage programs. At the request of the commissioner of administration, the commissioners of other state agencies and units of local government shall provide assistance in evaluating and coordinating existing state and local health care programs.

Sec. 14. [INSTRUCTION TO REVISOR.]

(a) The revisor of statutes is directed to change the words "children's health plan" to "health right plan" wherever they appear in the next edition of Minnesota Statutes.

(b) The revisor of statutes is directed to recodify the subdivisions of Minnesota Statutes, section 256.936 as separate sections in chapter 256, and to recodify paragraphs as subdivisions within these sections.

ARTICLE 5

RURAL HEALTH INITIATIVES

Section 1. Minnesota Statutes 1990, section 16A.124, is amended by adding a subdivision to read:

Subd. 4a. [INVOICE ERRORS; DEPARTMENT OF HUMAN SERVICES.] For purposes of department of human services payments to hospitals receiving reimbursement under the medical assistance and general assistance medical care programs, if an invoice is incorrect, defective, or otherwise improper, the department of human services must notify the hospital of all errors, within 30 days of discovery of the errors.

Sec. 2. Minnesota Statutes 1990, section 43A.17, subdivision 9, is amended to read:

Subd. 9. [POLITICAL SUBDIVISION SALARY LIMIT.] The salary of a person employed by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, or employed under section 422A.03, may not exceed 95 percent of the salary of the governor as set under section 15A.082, except as provided in this subdivision. Deferred compensation and payroll allocations to purchase an individual annuity contract for an employee are included in determining the employee's salary. The salary of a medical doctor or doctor of

osteopathy occupying a position that the governing body of the political subdivision has determined requires an M.D. or D.O. degree is excluded from the limitation in this subdivision. The commissioner may increase the limitation in this subdivision for a position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state. The commissioner may not increase the limitation until the commissioner has presented the proposed increase to the legislative commission on employee relations and received the commission's recommendation on it. The recommendation is advisory only. If the commission does not give its recommendation on a proposed increase within 30 days from its receipt of the proposal, the commission is deemed to have recommended approval.

Sec. 3. [144.1481] [RURAL HEALTH ADVISORY COMMITTEE.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] The commissioner of health shall establish a 15-member rural health advisory committee. The committee shall consist of the following members, all of whom must reside outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2:

(1) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) a volunteer member of an ambulance service based outside the seven-county metropolitan area;

(4) a representative of a hospital located outside the seven-county metropolitan area;

(5) a representative of a nursing home located outside the seven-county metropolitan area;

(6) a medical doctor or doctor of osteopathy licensed under chapter 147;

(7) a midlevel practitioner;

(8) a registered nurse or licensed practical nurse;

(9) a licensed health care professional from an occupation not otherwise represented on the committee;

(10) a representative of an institution of higher education located outside the seven-county metropolitan area that provides training for rural health care providers; and

(11) three consumers, at least one of whom must be an advocate for persons who are mentally ill or developmentally disabled.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The terms, compensation, and removal of members are governed by section 15.059.

Subd. 2. [DUTIES.] The advisory committee shall:

(1) advise the commissioner and other state agencies on rural health issues;

(2) provide a systematic and cohesive approach toward rural health issues and rural health care planning, at both a local and statewide level;

(3) develop and evaluate mechanisms to encourage greater cooperation among rural communities and among providers;

(4) recommend and evaluate approaches to rural health issues that are sensitive to the needs of local communities; and

(5) develop methods for identifying individuals who are underserved by the rural health care system.

Subd. 3. [STAFFING; OFFICE SPACE; EQUIPMENT.] The commissioner shall provide the advisory committee with staff support, office space, and access to office equipment and services.

Sec. 4. [144.1482] [OFFICE OF RURAL HEALTH.]

Subdivision 1. [DUTIES.] The office of rural health in conjunction with the University of Minnesota medical schools and other organizations in the state which are addressing rural health care problems shall:

(1) establish and maintain a clearinghouse for collecting and disseminating information on rural health care issues, research findings, and innovative approaches to the delivery of rural health care;

(2) coordinate the activities relating to rural health care that are carried out by the state to avoid duplication of effort;

(3) identify federal and state rural health programs and provide technical assistance to public and nonprofit entities, including community and migrant health centers, to assist them in participating in these programs;

(4) assist rural communities in improving the delivery and quality of health care in rural areas and in recruiting and retaining health professionals; and

(5) carry out the duties assigned in section 144.1483.

Subd. 2. [CONTRACTS.] To carry out these duties, the office may contract with or provide grants to public and private, nonprofit entities.

Sec. 5. [144.1483] [RURAL HEALTH INITIATIVES.]

The commissioner of health, through the office of rural health, and consulting as necessary with the commissioner of human services, the commissioner of commerce, the higher education coordinating board, and other state agencies, shall:

(1) develop a detailed plan regarding the feasibility of coordinating rural health care services by organizing individual medical providers and smaller hospitals and clinics into referral networks with larger rural hospitals and clinics that provide a broader array of services;

(2) develop and implement a program to assist rural communities in establishing community health centers, as required by section 144.1486;

(3) administer the program of financial assistance established under section 144.1484 for rural hospitals in isolated areas of the state that are in danger of closing without financial assistance, and that have exhausted local sources of support;

(4) develop recommendations regarding health education and training programs in rural areas, including but not limited to a physician assistants' training program, continuing education programs for rural health care providers, and rural outreach programs for nurse practitioners within existing training programs;

(5) develop a statewide, coordinated recruitment strategy for health care personnel and maintain a data base on health care personnel as required under section 144.1485;

(6) develop and administer technical assistance programs to assist rural communities in: (i) planning and coordinating the delivery of local health care services; and (ii) hiring physicians, nurse practitioners, public health nurses, physician assistants, and other health personnel;

(7) study and recommend changes in the regulation of health care personnel, such as nurse practitioners and physician assistants, related to scope of practice, the amount of on-site physician supervision, and dispensing of medication, to address rural health personnel shortages;

(8) support efforts to ensure continued funding for medical and nursing education programs that will increase the number of health professionals serving in rural areas;

(9) support efforts to secure higher reimbursement for rural health care providers from the Medicare and medical assistance programs;

(10) coordinate the development of a statewide plan for emergency medical services, in cooperation with the emergency medical services advisory council; and

(11) carry out other activities necessary to address rural health problems.

Sec. 6. [144.1484] [RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

Subdivision 1. [SOLE COMMUNITY HOSPITAL FINANCIAL ASSISTANCE GRANTS.] The commissioner of health shall award financial assistance grants to rural hospitals in isolated areas of the state. To qualify for a grant, a hospital must: (1) be eligible to be classified as a sole community hospital according to the criteria in Code of Federal Regulations, title 42, section 412.92; (2) have experienced net income losses in the two most recent consecutive hospital fiscal years for which audited financial information is available; (3) consist of 20 or fewer licensed beds; and (4) have exhausted local sources of support. Before applying for a grant, the hospital must have developed a strategic plan. The commissioner shall award grants in equal amounts.

Subd. 2. [GRANTS TO AT-RISK RURAL HOSPITALS TO OFFSET THE IMPACT OF THE HOSPITAL TAX.] The commissioner of health shall award financial assistance grants to rural hospitals that would otherwise close as a direct result of the hospital tax in article 10, section 4. To be eligible for a grant, a hospital must have 100 or fewer beds and must not be located in a city of the first class. To receive a grant, the hospital must demonstrate to the satisfaction of the commissioner of health that the hospital will close in the

absence of state assistance under this subdivision and that the hospital tax is the principal reason for the closure. The amount of the grant must not exceed the amount of the tax the hospital would pay under article 10, section 4, based on the previous year's hospital revenues.

Sec. 7. [144.1485] [DATA BASE ON HEALTH PERSONNEL.]

The commissioner of health shall develop and maintain a data base on health services personnel. The commissioner shall use this information to assist local communities and units of state government to develop plans for the recruitment and retention of health personnel. Information collected in the data base must include, but is not limited to, data on levels of educational preparation, specialty, and place of employment. The commissioner may collect information through the registration and licensure systems of the state health licensing boards.

Sec. 8. [144.1486] [RURAL COMMUNITY HEALTH CENTERS.]

The commissioner of health shall develop and implement a program to establish community health centers in rural areas of Minnesota that are underserved by health care providers. The program shall provide rural communities and community organizations with technical assistance, capital grants for start-up costs, and short-term assistance with operating costs. The technical assistance component of the program must provide assistance in review of practice management, market analysis, practice feasibility analysis, medical records system analysis, and scheduling and patient flow analysis. The program must: (1) include a local match requirement for state dollars received; (2) require local communities, through nonprofit boards comprised of local residents, to operate and own their community's health care program; (3) encourage the use of midlevel practitioners; and (4) incorporate a quality assurance strategy that provides regular evaluation of clinical performance and allows peer review comparisons for rural practices. The commissioner shall report to the legislature on implementation of the program by February 15, 1994.

Sec. 9. Minnesota Statutes 1990, section 144.581, subdivision 1, is amended to read:

Subdivision 1. [NONPROFIT CORPORATION POWERS.] A municipality, political subdivision, state agency, or other governmental entity that owns or operates a hospital authorized, organized, or operated under chapters 158, 250, 376, and 397, or under sections 246A.01 to 246A.27, 412.221, 447.05 to 447.13, 447.31, or 471.59, or under any special law authorizing or establishing a hospital or hospital district shall, relative to the delivery of health care services, have, in addition to any authority vested by law, the authority and

legal capacity of a nonprofit corporation under chapter 317A, including authority to

(a) enter shared service and other cooperative ventures,

(b) join or sponsor membership in organizations intended to benefit the hospital or hospitals in general,

(c) enter partnerships,

(d) incorporate other corporations,

(e) have members of its governing authority or its officers or administrators serve as directors, officers, or employees of the ventures, associations, or corporations,

(f) own shares of stock in business corporations,

(g) offer, directly or indirectly, products and services of the hospital, organization, association, partnership, or corporation to the general public, and

(h) ~~provide funds for payment of educational expenses of up to $20,000 per individual, if the hospital or hospital district has at least $1,000,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district, and~~

~~(i) provide funds of up to $50,000 per year per individual for a maximum of two years to supplement the incomes of family practice physicians, up to a maximum of $100,000 in annual income, if the hospital or hospital district has at least $250,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district~~ expend funds, including public funds in any form, or devote the resources of the hospital or hospital district to recruit or retain physicians whose services are necessary or desirable for meeting the health care needs of the population, and for successful performance of the hospital or hospital district's public purpose of the promotion of health. Allowable uses of funds and resources include the retirement of medical education debt, payment of one-time amounts in consideration of services rendered or to be rendered, payment of recruitment expenses, payment of moving expenses, and the provision of other financial assistance necessary for the recruitment and retention of physicians, provided that the expenditures in whatever form are reasonable under the facts and circumstances of the situation.

Sec. 10. Minnesota Statutes 1990, section 144.581, is amended by adding a subdivision to read:

Subd. 6. [WORKERS' COMPENSATION POOLS.] Notwithstanding subdivision 2, and any other law to the contrary, public hospitals or organizations established under this section, and nursing homes, including those owned and operated by the state, a county, a municipality, or other governmental entity, may join with one another and with private hospitals or nursing homes to form and operate a group workers' compensation self-insured pool. A group self-insured pool that includes both governmental and private employers as authorized by this section is deemed to be organized and under the authority of sections 79A.03 and 176.181 and the administrative rules relating to private self-insured employers and groups. In the case of governmental employers, the joint and several liability of the employers shall be limited to the earned revenue and assets of the hospital or nursing home and shall not to any greater extent be a liability of the governmental entity or subject to its full faith and credit. In the event of the financial inability of the self-insured group to pay its claims, claims attributable to private hospital or nursing home employers shall be covered by the self-insurers' security fund and claims attributable to governmental hospital or nursing home employers shall be covered by the special compensation fund. Only private employers covered by this section shall be subject to assessment by the self-insurers' security fund.

Sec. 11. Minnesota Statutes 1990, section 447.31, subdivision 1, is amended to read:

Subdivision 1. [RESOLUTIONS.] Any ~~four~~ two or more cities and towns, however organized, except cities of the first class, may create a hospital district. They must do so by resolutions adopted by their respective governing bodies or electors. A hospital district may be reorganized according to sections 447.31 to 447.37. Reorganization must be by resolutions adopted by the district's hospital board and the governing body or voters of each city and town in the district.

Sec. 12. Minnesota Statutes 1990, section 447.31, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF RESOLUTION.] A resolution under subdivision 1 must state that a hospital district is authorized to be created under sections 447.31 to 447.37, or that an existing hospital district is authorized to be reorganized under sections 447.31 to 447.37, in order to acquire, improve, and run hospital and nursing home facilities that the hospital board decides are necessary and expedient in accordance with sections 447.31 to 447.37. The resolution must name the ~~four~~ two or more cities or towns included in the district. The resolution must be adopted by a two-thirds majority of the members-elect of the governing body or board acting on it, or by the voters of the city or town as provided in this section.

Each resolution adopted by the governing body of a city or town must be published in its official newspaper and takes effect 40 days after publication, unless a petition for referendum on the resolution is filed with the governing body within 40 days. A petition for referendum must be signed by at least five percent of the number of voters voting at the last election of officers. If a petition is filed, the resolution does not take effect until approved by a majority of voters voting on it at a regular municipal election or a special election which the governing body may call for that purpose.

The resolution may also be initiated by petition filed with the governing body of the city or town, signed by at least ten percent of the number of voters voting at the last general election. A petition must present the text of the proposed resolution and request an election on it. If the petition is filed, the governing body shall call a special election for the purpose, to be held within 30 days after the filing of the petition, or may submit the resolution to a vote at a regular municipal election that is to be held within the 30-day period. The resolution takes effect if approved by a majority of voters voting on it at the election. Only one election shall be held within any given 12-month period upon resolutions initiated by petition. The notice of the election and the ballot used must contain the text of the resolution, followed by the question: "Shall the above resolution be approved?"

Sec. 13. [SPECIAL STUDIES.]

(a) The commissioner of health, through the office of rural health, shall:

(1) investigate the adequacy of access to perinatal services in rural Minnesota and report findings and recommendations to the legislature by January 15, 1994; and

(2) study the impact of current reimbursement provisions for midlevel practitioners on the use of midlevel practitioners in rural practice settings, examining reimbursement provisions in state programs, federal programs, and private sector health plans, and report findings and recommendations to the legislature by January 1, 1993.

(b) The commissioner of administration, through the statewide telecommunications access routing program and its advisory council, and in cooperation with the commissioner of health and the rural health advisory committee, shall investigate and develop recommendations regarding the use of advanced telecommunications technologies to improve rural health education and health care delivery. The commissioner of administration shall report findings and recommendations to the legislature by January 15, 1994.

Sec. 14. [REPORT ON RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

The commissioner of health shall examine the eligibility criteria for rural hospital financial assistance grants under Minnesota Statutes, section 144.1484, and report to the legislature by February 1, 1993, on any needed modifications.

Sec. 15. [EFFECTIVE DATE.]

Section 1 relating to invoice errors is effective for the department of human services July 1, 1993, or on the implementation date of the upgrade to the Medicaid management information system, whichever is later.

Section 3 creating the rural health advisory committee is effective January 1, 1993.

ARTICLE 6

HEALTH PROFESSIONAL EDUCATION

Section 1. Minnesota Statutes 1990, section 136A.1355, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the program, a prospective physician must submit a letter of interest to the higher education coordinating board ~~while attending medical school. Before completing the first year of residency,~~. A student or resident who is accepted must sign a contract to agree to serve at least three of the first five years following residency in a designated rural area.

Sec. 2. Minnesota Statutes 1990, section 136A.1355, subdivision 3, is amended to read:

Subd. 3. [LOAN FORGIVENESS.] Prior to June 30, 1992, the higher education coordinating board may accept up to eight applicants who are fourth year medical students, up to eight applicants who are first year residents, and up to eight applicants who are second year residents for participation in the loan forgiveness program. For the period July 1, 1992 through June 30, 1995, the higher education coordinating board may accept up to eight applicants who are fourth year medical students per fiscal year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed $10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a

maximum of four years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans ~~and the interest accrued on these loans~~. Participants who move their practice from one designated rural area to another remain eligible for loan repayment. In addition, if a resident participating in the loan forgiveness program serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of rural practice commitments to enable the rural physician to take a vacation, engage in activities outside the practice area, or otherwise be relieved of rural practice commitments, the participating resident may designate up to an additional $2,000, above the $10,000 maximum, for each year of residency during which the resident substitutes for a rural physician for four or more weeks.

Sec. 3. [136A.1356] [MIDLEVEL PRACTITIONER EDUCATION ACCOUNT.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Designated rural area" has the definition developed in rule by the higher education coordinating board.

(b) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

(c) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse-midwives.

(d) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse practitioners.

(e) "Physician assistant" means a person meeting the definition in Minnesota Rules, part 5600.2600, subpart 11.

Subd. 2. [CREATION OF ACCOUNT.] A midlevel practitioner education account is established. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for midlevel practitioners agreeing to practice in designated rural areas.

Subd. 3. [ELIGIBILITY.] To be eligible to participate in the program, a prospective midlevel practitioner must submit a letter of interest to the higher education coordinating board prior to or while attending a program of study designed to prepare the individual for service as a midlevel practitioner. Before completing the first year of

this program, a midlevel practitioner must sign a contract to agree to serve at least two of the first four years following graduation from the program in a designated rural area.

Subd. 4. [LOAN FORGIVENESS.] The higher education coordinating board may accept up to eight applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of midlevel practitioner study, up to a maximum of two years, an agreed amount, not to exceed $7,000, as a qualified loan. For each year that a participant serves as a midlevel practitioner in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually repay an amount equal to one-half a qualified loan. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Subd. 5. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 4 for full repayment of all qualified loans, the higher education coordinating board shall collect from the participant 100 percent of any payments made for qualified loans and interest at a rate established according to section 270.75. The higher education coordinating board shall deposit the money collected in the midlevel practitioner education account. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the required service commitment.

Sec. 4. [137.38] [EDUCATION AND TRAINING OF PRIMARY CARE PHYSICIANS.]

Subdivision 1. [CONDITION.] If the board of regents accepts the funding appropriated for sections 137.38 to 137.40, it shall comply with the duties for which the appropriations are made.

Subd. 2. [PRIMARY CARE.] For purposes of sections 137.38 to 137.40, "primary care" means a type of medical care delivery that assumes ongoing responsibility for the patient in both health maintenance and illness treatment. It is personal care involving a unique interaction and communication between the patient and the physician. It is comprehensive in scope, and includes all the overall coordination of the care of the patient's health care problems including biological, behavioral, and social problems. The appropriate use of consultants and community resources is an important aspect of effective primary care.

Subd. 3. [GOALS.] The regents of the University of Minnesota, through the University of Minnesota medical school, shall implement the initiatives required by sections 137.38 to 137.40 in order to increase the number of graduates of residency programs of the medical school who practice primary care by 20 percent over an

eight-year period. The initiatives must be designed to encourage newly graduated primary care physicians to establish practices in areas of rural Minnesota that are medically underserved.

Subd. 4. [GRANTS.] The board of regents shall seek grants from private foundations and other nonstate sources for the initiatives outlined in sections 137.38 to 137.40.

Subd. 5. [REPORTS.] The board of regents shall report annually to the legislature on progress made in implementing sections 137.38 to 137.40, beginning January 15, 1993, and each succeeding January 15.

Sec. 5. [137.39] [MEDICAL SCHOOL INITIATIVES.]

Subdivision 1. [MODIFIED SCHOOL INITIATIVES.] The University of Minnesota medical school shall study the demographic characteristics of students that are associated with a primary care career choice. The medical school is requested to modify the selection process for medical students based on the results of this study, in order to increase the number of medical school graduates choosing careers in primary care.

Subd. 2. [DESIGN OF CURRICULUM.] The medical school shall ensure that its curriculum provides students with early exposure to primary care physicians and primary care practice. The medical school shall also support premedical school educational initiatives that provide students with greater exposure to primary care physicians and practices.

Subd. 3. [CLINICAL EXPERIENCES IN PRIMARY CARE.] The medical school, in consultation with medical school faculty at the University of Minnesota, Duluth, shall develop a program to provide students with clinical experiences in primary care settings in internal medicine and pediatrics. The program must provide training experiences in medical clinics in rural Minnesota communities, as well as in community clinics and health maintenance organizations in the Twin Cities metropolitan area.

Sec. 6. [137.40] [RESIDENCY AND OTHER INITIATIVES.]

Subdivision 1. [PRIMARY CARE AND RURAL ROTATIONS.] The medical school shall increase the opportunities for general medicine, pediatrics, and family practice residents to serve rotations in primary care settings. These settings must include community clinics, health maintenance organizations, and practices in rural communities.

Subd. 2. [RURAL RESIDENCY TRAINING PROGRAM IN FAMILY PRACTICE.] The medical school shall establish a rural resi-

dency training program in family practice. The program shall provide an initial year of training in a metropolitan-based hospital and family practice clinic. The second and third years of the residency program shall be based in rural communities, utilizing local clinics and community hospitals, with specialty rotations in nearby regional medical centers.

Subd. 3. [CONTINUING MEDICAL EDUCATION.] The medical school shall develop continuing medical education programs for primary care physicians that are comprehensive, community-based, and accessible to primary care physicians in all areas of the state.

Sec. 7. [136A.1357] [EDUCATION ACCOUNT FOR NURSES WHO AGREE TO PRACTICE IN A NURSING HOME.]

Subdivision 1. [CREATION OF THE ACCOUNT.] An education account in the general fund is established for a loan forgiveness program for nurses who agree to practice nursing in a nursing home. The account consists of money appropriated by the legislature and repayments and penalties collected under subdivision 4. Money from the account must be used for a loan forgiveness program.

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the loan forgiveness program, a person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the board before completing the first year of study of a nursing education program. Before completing the first year of study, the applicant must sign a contract in which the applicant agrees to practice nursing for at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home.

Subd. 3. [LOAN FORGIVENESS.] The board may accept up to ten applicants a year. Applicants are responsible for securing their own loans. For each year of nursing education, for up to two years, applicants accepted into the loan forgiveness program may designate an agreed amount, not to exceed $3,000, as a qualified loan. For each year that a participant practices nursing in a nursing home, up to a maximum of two years, the board shall annually repay an amount equal to one year of qualified loans. Participants who move from one nursing home to another remain eligible for loan repayment.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 3 for full repayment of all qualified loans, the commissioner shall collect from the participant 100 percent of any payments made for qualified loans and interest at a rate established according to section 270.75. The board shall deposit the collections in the general fund to be credited to the account established in subdivision 1. The board

may grant a waiver of all or part of the money owed as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the required service commitment.

Subd. 5. [RULES.] The board shall adopt rules to implement this section.

Sec. 8. [STUDY OF OBSTETRICAL ACCESS.]

The commissioner of health shall study access to obstetrical services in Minnesota and report to the legislature by January 1, 1993. The study must examine the number of physicians discontinuing obstetrical care in recent years and the effects of high malpractice costs and low government program reimbursement for obstetrical services, and must identify areas of the state where access to obstetrical services is most greatly affected. The commissioner shall recommend ways to reduce liability costs and to encourage physicians to continue to provide obstetrical services.

Sec. 9. [GRANT PROGRAM FOR MIDLEVEL PRACTITIONER TRAINING.]

The higher education coordinating board may award grants to Minnesota schools or colleges that educate, or plan to educate midlevel practitioners, in order to establish and administer midlevel practitioner training programs in areas of rural Minnesota with the greatest need for midlevel practitioners. The program must address rural health care needs, and incorporate innovative methods of bringing together faculty and students, such as the use of telecommunications, and must provide both clinical and lecture components.

Sec. 10. [GRANTS FOR CONTINUING EDUCATION.]

The higher education coordinating board shall establish a competitive grant program for schools of nursing and other providers of continuing nurse education, in order to develop continuing education programs for nurses working in rural areas of the state. The programs must complement, and not duplicate, existing continuing education activities, and must specifically address the needs of nurses working in rural practice settings. The board shall award two grants for the fiscal year ending June 30, 1993.

ARTICLE 7

DATA COLLECTION AND RESEARCH INITIATIVES

Section 1. [62J.30] [HEALTH CARE ANALYSIS UNIT.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 62J.30 to 62J.34, the following definitions apply:

(a) "Practice parameter" means a statement intended to guide the clinical decision making of health care providers and patients that is supported by the results of appropriately designed outcomes research studies, including those studies sponsored by the federal agency for health care policy and research, or has been adopted for use by a national medical society.

(b) "Outcomes research" means research designed to identify and analyze the outcomes and costs of alternative interventions for a given clinical condition, in order to determine the most appropriate and cost-effective means to prevent, diagnose, treat, or manage the condition, or in order to develop and test methods for reducing inappropriate or unnecessary variations in the type and frequency of interventions.

Subd. 2. [ESTABLISHMENT.] The commissioner of health, in consultation with the Minnesota health care commission, shall establish a health care analysis unit to conduct data and research initiatives in order to improve the efficiency and effectiveness of health care in Minnesota.

Subd. 3. [GENERAL DUTIES; IMPLEMENTATION DATE.] The commissioner, through the health care analysis unit, shall:

(1) conduct applied research using existing and newly established health care data bases, and promote applications based on existing research;

(2) establish the condition-specific data base required under section 62J.31;

(3) develop and implement data collection procedures to ensure a high level of cooperation from health care providers and health carriers, as defined in section 62L.02, subdivision 16;

(4) work closely with health carriers and health care providers to promote improvements in health care efficiency and effectiveness;

(5) participate as a partner or sponsor of private sector initiatives that promote publicly disseminated applied research on health care delivery, outcomes, costs, quality, and management;

(6) provide technical assistance to health plan and health care purchasers, as required by section 62J.33;

(7) develop outcome-based practice parameters as required under section 62J.34; and

(8) provide technical assistance as needed to the health planning advisory committee and the regional coordinating boards.

Subd. 4. [CRITERIA FOR UNIT INITIATIVES.] Data and research initiatives by the health care analysis unit must:

(1) serve the needs of the general public, public sector health care programs, employers and other purchasers of health care, health care providers, including providers serving large numbers of low-income people, and health carriers;

(2) promote a significantly accelerated pace of publicly disseminated, applied research on health care delivery, outcomes, costs, quality, and management;

(3) conduct research and promote health care applications based on scientifically sound and statistically valid methods;

(4) be statewide in scope, in order to benefit health care purchasers and providers in all parts of Minnesota and to ensure a broad and representative data base for research, comparisons, and applications;

(5) emphasize data that is useful, relevant, and nonredundant of existing data. The initiatives may duplicate existing private activities, if this is necessary to ensure that the data collected will be in the public domain;

(6) be structured to minimize the administrative burden on health carriers, health care providers, and the health care delivery system, and minimize any privacy impact on individuals; and

(7) promote continuous improvement in the efficiency and effectiveness of health care delivery.

Subd. 5. [CRITERIA FOR PUBLIC SECTOR HEALTH CARE PROGRAMS.] Data and research initiatives related to public sector health care programs must:

(1) assist the state's current health care financing and delivery programs to deliver and purchase health care in a manner that promotes improvements in health care efficiency and effectiveness;

(2) assist the state in its public health activities, including the analysis of disease prevalence and trends and the development of public health responses;

(3) assist the state in developing and refining its overall health policy, including policy related to health care costs, quality, and access; and

(4) provide a data source that allows the evaluation of state health care financing and delivery programs.

Subd. 6. [DATA COLLECTION PROCEDURES.] The health care analysis unit shall collect data from health care providers, health carriers, and individuals in the most cost-effective manner, which does not unduly burden providers. The unit may require health care providers and health carriers to collect and provide patient health records, provide mailing lists of patients who have consented to release of data, and cooperate in other ways with the data collection process. For purposes of this chapter, the health care analysis unit shall assign, or require health care providers and health carriers to assign, a unique identification number to each patient to safeguard patient identity.

Subd. 7. [DATA CLASSIFICATION.] (a) Data collected through the large-scale data base initiatives of the health care analysis unit required by section 62J.31 that identify individuals are private data on individuals. Data not on individuals are nonpublic data. The commissioner may release private data on individuals and nonpublic data to researchers affiliated with university research centers or departments who are conducting research on health outcomes, practice parameters, and medical practice style; researchers working under contract with the commissioner; and individuals purchasing health care services for health carriers and groups. Prior to releasing any nonpublic or private data under this paragraph that identify or relate to a specific health carrier, medical provider, or health care facility, the commissioner shall provide at least 30 days' notice to the subject of the data, including a copy of the relevant data, and allow the subject of the data to provide a brief explanation or comment on the data which must be released with the data. To the extent reasonably possible, release of private or confidential data under this chapter shall be made without releasing data that could reveal the identity of individuals and should instead be released using the identification numbers required by subdivision 6.

(b) Summary data derived from data collected through the large-scale data base initiatives of the health care analysis unit may be provided under section 13.05, subdivision 7, and may be released in studies produced by the commissioner.

(c) The commissioner shall adopt rules to establish criteria and procedures to govern access to and the use of data collected through the initiatives of the health care analysis unit.

Subd. 8. [DATA COLLECTION ADVISORY COMMITTEE.] The commissioner shall convene a 15-member data collection advisory committee consisting of health service researchers, health care providers, health carrier representatives, representatives of businesses that purchase health coverage, and consumers. Six members of this committee must be physicians. The advisory committee shall

evaluate methods of data collection and shall recommend to the commissioner methods of data collection that minimize administrative burdens, address data privacy concerns, and meet the needs of health service researchers. The advisory committee is governed by section 15.059.

Subd. 9. [FEDERAL AND OTHER GRANTS.] The commissioner shall seek federal funding, and funding from private and other nonstate sources, for the initiatives of the health care analysis unit.

Subd. 10. [CONTRACTS AND GRANTS.] To carry out the duties assigned in sections 62J.30 to 62J.34, the commissioner may contract with or provide grants to private sector entities. Any contract or grant must require the private sector entity to maintain the data on individuals which it receives according to the statutory provisions applicable to the data.

Subd. 11. [RULEMAKING.] The commissioner may adopt permanent and emergency rules to implement sections 62J.30 to 62J.34.

Sec. 2. [62J.31] [LARGE-SCALE DATA BASE.]

Subdivision 1. [ESTABLISHMENT.] The health care analysis unit shall establish a large-scale data base for a limited number of health conditions. This initiative must meet the requirements of this section.

Subd. 2. [SPECIFIC HEALTH CONDITIONS.] (a) The data must be collected for specific health conditions, rather than specific procedures, types of health care providers, or services. The health care analysis unit shall designate a limited number of specific health conditions for which data shall be collected during the first year of operation. For subsequent years, data may be collected for additional specific health conditions. The number of specific conditions for which data is collected is subject to the availability of appropriations.

(b) The initiative must emphasize conditions that account for significant total costs, when considering both the frequency of a condition and the unit cost of treatment. The initial emphasis must be on the study of conditions commonly treated in hospitals on an inpatient or outpatient basis, or in freestanding outpatient surgical centers. As improved data collection and evaluation techniques are incorporated, this emphasis shall be expanded to include entire episodes of care for a given condition, whether or not treatment includes use of a hospital or a freestanding outpatient surgical center.

Subd. 3. [INFORMATION TO BE COLLECTED.] The data collected must include information on health outcomes, including

information on mortality, morbidity, patient functional status and quality of life, symptoms, and patient satisfaction. The data collected must include information necessary to measure and make adjustments for differences in the severity of patient condition across different health care providers, and may include data obtained directly from the patient or from patient medical records. The data must be collected in a manner that allows comparisons to be made between providers, health carriers, public programs, and other entities.

Subd. 4. [DATA COLLECTION AND REVIEW.] Data collection for any one condition must continue for a sufficient time to permit: adequate analysis by researchers and appropriate providers, including providers who will be impacted by the data; feedback to providers; and monitoring for changes in practice patterns. The health care analysis unit shall annually review all specific health conditions for which data is being collected, in order to determine if data collection for that condition should be continued.

Subd. 5. [USE OF EXISTING DATA BASES.] (a) The health care analysis unit shall negotiate with private sector organizations currently collecting data on specific health conditions of interest to the unit, in order to obtain required data in a cost-effective manner and minimize administrative costs. The unit shall attempt to establish linkages between the large scale data base established by the unit and existing private sector data bases and shall consider and implement methods to streamline data collection in order to reduce public and private sector administrative costs.

(b) The health care analysis unit shall use existing public sector data bases, such as those existing for medical assistance and Medicare, to the greatest extent possible. The unit shall establish linkages between existing public sector data bases and consider and implement methods to streamline public sector data collection in order to reduce public and private sector administrative costs.

Sec. 3. [62J.32] [ANALYSIS AND USE OF DATA COLLECTED THROUGH THE LARGE-SCALE DATA BASE.]

Subdivision 1. [DATA ANALYSIS.] The health care analysis unit shall analyze the data collected on specific health conditions using existing practice parameters and newly researched practice parameters, including those established through the outcomes research studies of the federal government. The unit may use the data collected to develop new practice parameters, if development and refinement is based on input from and analysis by practitioners, particularly those practitioners knowledgeable about and impacted by practice parameters. The unit may also refine existing practice parameters, and may encourage or coordinate private sector research efforts designed to develop or refine practice parameters.

Subd. 2. [EDUCATIONAL EFFORTS.] The health care analysis unit shall maintain and improve the quality of health care in Minnesota by providing practitioners in the state with information about practice parameters. The unit shall promote, support, and disseminate parameters for specific, appropriate conditions, and the research findings on which these parameters are based, to all practitioners in the state who diagnose or treat the medical condition.

Subd. 3. [PEER REVIEW.] The unit may require peer review by the Minnesota medical association for specific medical conditions for which medical practice in all or part of the state deviates from practice parameters. The commissioner may also require peer review by the Minnesota medical association for specific medical conditions for which there are large variations in treatment method or frequency of treatment in all or part of the state. Peer review may be required for all medical practitioners statewide, or limited to medical practitioners in specific areas of the state. The peer review must determine whether the procedures conducted by medical practitioners are medically necessary and appropriate, and within acceptable and prevailing practice parameters that have been disseminated by the health care analysis unit in conjunction with the appropriate professional organizations. If a medical practitioner continues to perform procedures that are medically inappropriate, even after educational efforts by the review panel, the practitioner may be reported to the appropriate professional licensing board.

Subd. 4. [PRACTICE PARAMETER ADVISORY COMMITTEE.] The commissioner shall convene a 15-member practice parameter advisory committee comprised of eight physicians, other health care professionals, and representatives of the medical research community and the medical technology industry. The committee shall present recommendations on the adoption of practice parameters to the commissioner and the Minnesota health care commission and provide technical assistance as needed to the commissioner and the commission. The advisory committee is governed by section 15.059, but does not expire.

Sec. 4. [62J.33] [TECHNICAL ASSISTANCE FOR PURCHASERS.]

The health care analysis unit shall provide technical assistance to health plan and health care purchasers. The unit shall collect information about:

(1) premiums, benefit levels, managed care procedures, health care outcomes, and other features of popular health plans and health carriers; and

(2) prices, outcomes, provider experience, and other information

for services less commonly covered by insurance or for which patients commonly face significant out-of-pocket expenses.

The commissioner shall publicize this information in an easily understandable format.

Sec. 5. [62J.34] [OUTCOME-BASED PRACTICE PARAMETERS.]

The health care analysis unit may develop, adopt, revise, and disseminate practice parameters, and disseminate research findings, that are supported by medical literature and appropriately controlled studies to minimize unnecessary, unproven, or ineffective care. The development, adoption, revision, and dissemination of practice parameters under this chapter are not subject to chapter 14. Among other appropriate activities relating to the development of practice parameters, the health care analysis unit shall:

(1) determine uniform specifications for the collection, transmission, and maintenance of health outcomes data; and

(2) conduct studies and research on the following subjects:

(i) new and revised practice parameters to be used in connection with state health care programs and other settings;

(ii) the comparative effectiveness of alternative modes of treatment, medical equipment, and drugs;

(iii) the relative satisfaction of participants with their care, determined with reference to both provider and mode of treatment;

(iv) the cost versus the effectiveness of health care treatments; and

(v) the impact on cost and effectiveness of health care of the management techniques and administrative interventions used in the state health care programs and other settings.

Sec. 6. Minnesota Statutes 1991 Supplement, section 145.61, subdivision 5, is amended to read:

Subd. 5. "Review organization" means a nonprofit organization acting according to clause (k) or a committee whose membership is limited to professionals, administrative staff, and consumer directors, except where otherwise provided for by state or federal law, and which is established by a hospital, by a clinic, by one or more state or local associations of professionals, by an organization of professionals from a particular area or medical institution, by a health maintenance organization as defined in chapter 62D, by a nonprofit health service plan corporation as defined in chapter 62C, by a professional standards review organization established pursuant to

United States Code, title 42, section 1320c-1 et seq., or by a medical review agent established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b), or by the department of human services, to gather and review information relating to the care and treatment of patients for the purposes of:

(a) evaluating and improving the quality of health care rendered in the area or medical institution;

(b) reducing morbidity or mortality;

(c) obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness and injuries;

(d) developing and publishing guidelines showing the norms of health care in the area or medical institution;

(e) developing and publishing guidelines designed to keep within reasonable bounds the cost of health care;

(f) reviewing the quality or cost of health care services provided to enrollees of health maintenance organizations, health service plans, and insurance companies;

(g) acting as a professional standards review organization pursuant to United States Code, title 42, section 1320c-1 et seq.;

(h) determining whether a professional shall be granted staff privileges in a medical institution, membership in a state or local association of professionals, or participating status in a nonprofit health service plan corporation, health maintenance organization, or insurance company, or whether a professional's staff privileges, membership, or participation status should be limited, suspended or revoked;

(i) reviewing, ruling on, or advising on controversies, disputes or questions between:

(1) health insurance carriers, nonprofit health service plan corporations, or health maintenance organizations and their insureds, subscribers, or enrollees;

(2) professional licensing boards ~~acting under their powers including disciplinary, license revocation or suspension procedures~~ and health providers licensed by them ~~when the matter is referred to a review committee by the professional licensing board~~;

(3) professionals and their patients concerning diagnosis, treatment or care, or the charges or fees therefor;

(4) professionals and health insurance carriers, nonprofit health service plan corporations, or health maintenance organizations concerning a charge or fee for health care services provided to an insured, subscriber, or enrollee;

(5) professionals or their patients and the federal, state, or local government, or agencies thereof;

(j) providing underwriting assistance in connection with professional liability insurance coverage applied for or obtained by dentists, or providing assistance to underwriters in evaluating claims against dentists;

(k) acting as a medical review agent under section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b); ~~or~~

(l) providing recommendations on the medical necessity of a health service, or the relevant prevailing community standard for a health service; or

(m) reviewing a provider's professional practice as requested by the health care analysis unit under section 62J.32.

Sec. 7. Minnesota Statutes 1991 Supplement, section 145.64, subdivision 2, is amended to read:

Subd. 2. [PROVIDER DATA.] The restrictions in subdivision 1 shall not apply to professionals requesting or seeking through discovery, data, information, or records relating to their medical staff privileges, membership, or participation status. However, any data so disclosed in such proceedings shall not be admissible in any other judicial proceeding than those brought by the professional to challenge an action relating to the professional's medical staff privileges or participation status.

Sec. 8. [214.16] [DATA COLLECTION; HEALTH CARE PROVIDER TAX.]

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

(a) "Board" means the boards of medical practice, chiropractic examiners, nursing, optometry, dentistry, pharmacy, and podiatry.

(b) "Regulated person" means a licensed physician, chiropractor, nurse, optometrist, dentist, pharmacist, or podiatrist.

Subd. 2. [BOARD COOPERATION REQUIRED.] The board shall assist the commissioner of health and the data analysis unit in data collection activities required under this article and shall assist the

commissioner of health and the commissioner of revenue in activities related to collection of the health care provider tax required under article 10. Upon the request of the commissioner, the data analysis unit, or the commissioner of revenue, the board shall make available names and addresses of current licensees and provide other information or assistance as needed.

Subd. 3. [GROUNDS FOR DISCIPLINARY ACTION.] The board shall take disciplinary action against a regulated person for:

(1) failure to provide the commissioner of health with data on gross patient revenue as required under section 62J.04;

(2) failure to provide the health care analysis unit with data as required under this article;

(3) failure to provide the commissioner of revenue with data on gross revenue and other information required for the commissioner to implement sections 295.50 to 295.56; and

(4) failure to pay the health care provider tax required under section 295.52.

Sec. 9. [STUDY OF ADMINISTRATIVE COSTS.]

The health care analysis unit shall study costs and requirements incurred by health carriers, group purchasers, and health care providers that are related to the collection and submission of information to the state and federal government, insurers, and other third parties. The unit shall recommend to the commissioner of health and the Minnesota health care commission by January 1, 1994, any reforms that may reduce these costs without compromising the purposes for which the information is collected.

ARTICLE 8

MEDICAL MALPRACTICE

Section 1. Minnesota Statutes 1990, section 145.682, subdivision 4, is amended to read:

Subd. 4. [IDENTIFICATION OF EXPERTS TO BE CALLED.] (a) The affidavit required by subdivision 2, clause (2), must be signed by each expert listed in the affidavit and by the plaintiff's attorney and state the identity of each person whom plaintiff expects to call as an expert witness at trial to testify with respect to the issues of malpractice or causation, the substance of the facts and opinions to which the expert is expected to testify, and a summary of the grounds for each opinion. Answers to interrogatories that state the information required by this subdivision satisfy the requirements of

this subdivision if they are signed by the plaintiff's attorney and by each expert listed in the answers to interrogatories and served upon the defendant within 180 days after commencement of the suit against the defendant.

(b) The parties or the court for good cause shown, may by agreement, provide for extensions of the time limits specified in subdivision 2, 3, or this subdivision. Nothing in this subdivision may be construed to prevent either party from calling additional expert witnesses or substituting other expert witnesses.

(c) In any action alleging medical malpractice, all expert interrogatory answers must be signed by the attorney for the party responding to the interrogatory and by each expert listed in the answers. The court shall include in a scheduling order a deadline prior to the close of discovery for all parties to answer expert interrogatories for all experts to be called at trial. No additional experts may be called by any party without agreement of the parties or by leave of the court for good cause shown.

Sec. 2. [604.20] [MEDICAL MALPRACTICE CASES.]

Subdivision 1. [DISCOVERY.] Pursuant to the time limitations set forth in the Minnesota rules of civil procedure, the parties to any medical malpractice action may exchange the uniform interrogatories in subdivision 3 and ten additional nonuniform interrogatories. Any subparagraph of a nonuniform interrogatory will be treated as one nonuniform interrogatory. By stipulation of the parties, or by leave of the court upon a showing of good cause, more than ten additional nonuniform interrogatories may be propounded by a party. In addition, the parties may submit a request for production of documents pursuant to rule 34 of the Minnesota rules of civil procedure.

Subd. 2. [ALTERNATIVE DISPUTE RESOLUTION.] At the time a trial judge orders a case for trial, the court shall require the parties to discuss and determine whether a form of alternative dispute resolution would be appropriate or likely to resolve some or all of the issues in the case. Alternative dispute resolution may include arbitration, mediation, summary jury trial, or other alternatives suggested by the court or parties, and may be either binding or nonbinding. All parties must agree unanimously before alternative dispute resolution proceeds.

Subd. 3. [UNIFORM INTERROGATORIES.] (a) Uniform plaintiff's interrogatories to the defendant are as follows:

PLAINTIFF'S INTERROGATORIES TO DEFENDANT

INTERROGATORY NO. 1:

Please attach a complete curriculum vitae for Dr. (.....), M.D., which should include, but is not limited to, the following information:

a. Name;

b. Office address;

c. Name of practice;

d. Identities of partners or associates, including their names, specialties, and how long they have been associated with Dr. (.....);

e. Specialty of Dr. (.....);

f. Age;

g. The names and dates of attendance at any medical schools;

h. Full information as to internship or residency, including the place and dates of the internship or residency as well as any specialized fields of practice engaged in during such internship or residency;

i. The complete history of the practice of Dr. (.....) from and after medical school, setting forth the places where Dr. (.....) practiced medicine, the persons with whom Dr. (.....) was associated, the dates of the practice, and the reasons for leaving the practice;

j. Full information as to any board certifications Dr. (.....) may hold, including the field of specialty and the dates of the certifications and any recertifications;

k. Identifying the medical societies and organizations to which Dr. (.....) belongs, giving full information as to any offices held in the organizations;

l. Identifying all professional journal articles, treatises, textbooks, abstracts, speeches, or presentations which Dr. (.....) has authored or contributed to; and

m. Any other information which describes or explains the training and experience of Dr. (.....) for the practice of medicine.

INTERROGATORY NO. 2:

Has Dr. (.....) been the subject of any professional disciplinary actions of any kind and, if so:

State whether Dr. (.....'s) license to practice medicine has ever been revoked or publicly limited in any way and, if so, give the date and the reasons for such revocation or restriction.

INTERROGATORY NO. 3:

Please set forth a listing by author, title, publisher, and date of publication of all the medical texts referred to by Dr. (.....) with respect to the practice of medicine during the past five years.

INTERROGATORY NO. 4:

Please set forth a complete listing of the medical and professional journals to which Dr. (.....) subscribes or has subscribed within the past five years.

INTERROGATORY NO. 5:

As to each expert whom you expect to call as a witness at trial, please state:

a. The expert's name, address, occupation, and title;

b. The expert's field of expertise, including subspecialties, if any;

c. The expert's education background;

d. The expert's work experience in the field of expertise;

e. All professional societies and associations of which the expert is a member;

f. All hospitals at which the expert has staff privileges of any kind;

g. All written publications of which the expert is the author, giving the title of the publication and when and where it was published.

INTERROGATORY NO. 6:

With respect to each person identified in answer to the foregoing interrogatory, state:

a. The subject matter on which the person is expected to testify;

b. The substance of the facts and opinions to which the person is expected to testify; and

c. A summary of the grounds for each opinion, including the specific factual data upon which the opinion will be based.

INTERROGATORY NO. 7:

Please state whether there is any policy of insurance that will provide coverage to the defendant should liability attach on the basis of the allegations contained in the plaintiff's Complaint. If so, state with regard to each policy applicable:

a. The name and address of the insurer;

b. The exact limits of coverage applicable;

c. Whether any reservation of rights or controversy or coverage dispute exists between you and the insurance company.

Please attach copies of each policy to your Answers.

INTERROGATORY NO. 8:

State the full name, present address, occupation, age, present employer, and the present employer's address of each physician, nurse, or other medical personnel in the employ of the defendant or defendant's professional association who treated, cared for, examined, or otherwise attended (name) from (date 1), through (date 2). With regard to every individual, please state:

a. Each date upon which the individual attended (name);

b. The nature of the treatment or care rendered (name) on each date;

c. The qualifications and area of specialty of each individual; and

d. The present address of each individual.

In responding to this interrogatory, referring plaintiff's counsel to medical records will not be deemed to be a sufficient answer as plaintiff's counsel has reviewed the medical records and is not able to determine the identity of the individuals.

INTERROGATORY NO. 9: (Hospital defendant only)

Please state the name, address, telephone number, and last known employer of the nursing supervisor for the shifts set forth in the preceding interrogatory.

INTERROGATORY NO. 10:

Please identify by name and current or last known address and telephone number each and every person who has or claims to have knowledge of any facts relevant to the issues in this lawsuit, stating in detail all facts each person has or claims to have knowledge of.

INTERROGATORY NO. 11:

a. Have any statements been taken from nonparties or the plaintiff(s) pertaining to this claim? For purposes of this request, a statement previously made is (1) a written statement signed or otherwise adopted or approved by the person making it, or (2) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantial verbatim recital or an oral statement by the person making it and contemporaneously recorded. With regard to each statement, state:

1. The name and address of each person making a statement;

2. The date on which the statement was made;

3. The name and address of the person or persons taking each statement; and

4. The subject matter of each statement.

b. Attach a copy of each statement to the answers to these interrogatories.

c. If you claim that any information, document, or thing sought or requested is privileged, protected by the work product doctrine, or otherwise not discoverable, please:

1. Identify each document or thing by date, author, subject matter, and recipient;

2. State in detail the legal and factual basis for asserting said privilege, work product protection, or objection, or refusing to provide discovery as requested.

INTERROGATORY NO. 12:

Do you or anyone acting on your behalf know of any photographs, films, or videotapes depicting [.....]? If so, state:

a. The number of photographs or feet of film or videotape;

b. The places, objects, or persons photographed, filmed, or videotaped;

c. The date the photographs, film, or videotapes were taken;

d. The name, address, and telephone number of each person who has the original or copy.

Please attach copies of any photographs or videotapes.

INTERROGATORY NO. 13:

If you claim that injuries to plaintiff complained of in plaintiff's Complaint were contributed to or caused by plaintiff or any other person, including any other physician, hospital, nurse, or other health care provider, please state:

a. The facts upon which you base the claim;

b. The name, current address, and current employer of each person whom you allege was or may have been negligent.

INTERROGATORY No. 14:

Please state the name or names of the individuals supplying the information contained in your Answers to these Interrogatories. In addition, please state these individuals' current addresses, places of employment, and their current position at their place of employment.

INTERROGATORY NO. 15:

Does defendant have knowledge of any conversations or statements made by the plaintiff(s) concerning any subject matter relative to this action? If so, please state:

a. The name and last known address of each person who claims to have heard such conversations or statements;

b. The date of such conversations or statements;

c. The summary or the substance of each conversation or statement.

INTERROGATORY NO. 16:

Did the defendant, the defendant's agents, or employees conduct a surveillance of the plaintiff(s)? If so, state:

a. Name, address, and occupation of the person who conducted each surveillance;

b. Name and address of the person who requested each surveillance to be made;

c. Date or dates on which each surveillance was conducted;

d. Place or places where each surveillance was performed;

e. Information or facts discovered in the surveillance;

f. Name and address of the person now having custody of each written report, photographs, videotapes, or other documents concerning each surveillance.

INTERROGATORY NO. 17:

Are you aware of any person you may call as a witness at the trial of this action who may have or claims you have any information concerning the medical, mental, or physical condition of the plaintiff(s) prior to the incident in question? ..... If so, state:

a. The name and last know address of each person and your means of ascertaining the present whereabouts of each person;

b. The occupation and employer of each person;

c. The subject and substance of the information each person claims to have.

INTERROGATORY NO. 18:

As to any affirmative defenses you allege, state the factual basis of and describe each affirmative defense, the evidence which will be offered at trial concerning any alleged affirmative defense, including the names of any witnesses who will testify in support thereof, and the descriptions of any exhibits which will be offered to establish each affirmative defense.

INTERROGATORY NO. 19:

Do you contend that any entries in the answering defendant's medical/hospital records are incorrect or inaccurate? If so, state:

a. The precise entry(ies) that you think are incorrect or inaccurate;

b. What you contend the correct or accurate entry(ies) should have been;

c. The name, address, and employer of each and every person who has knowledge pertaining to a. and b.;

d. A description, including the author and title of each and every document that you claim supports your answer to a. and b.;

e. The name, address, and telephone number of each and every person you intend to call as a witness in support of your contention.

(b) Uniform defendant's interrogatories to the plaintiff for personal injury cases are as follows:

DEFENDANT'S INTERROGATORIES TO PLAINTIFF
(PERSONAL INJURY)

1. State your full name, address, date of birth, marital status, and social security number.

2. If you have been employed at any time in the past ten years, with respect to this period state the names and addresses of each of your employers, describe the nature of your work, and state the approximate dates of each employment.

3. If you have ever been a party to a lawsuit where you claimed damages for injury to your person, state the title of the suit, the court file number, the date of filing, the name and address of any involved insurance carrier, the kind of claim, and the ultimate disposition of the same. (This is meant to include workers' compensation and social security disability claims.)

4. Identify by name and address each and every physician, surgeon, medical practitioner, or other health care practitioner whom you consulted or who provided advice, treatment, or care for you at any time within the last ten years and, with respect to each contract, consultation, treatment, or advice, describe the same with particularity and indicate the reasons for the same.

5. State the name and address of each and every hospital, treatment facility, or institution in which plaintiff has been confined for any reason at any time, and set forth with particularity the reasons for each confinement and/or treatment and the dates of each.

6. Itemize all special damages which you claim in this case and specify, where appropriate, the basis and reason for your calculation as to each item of special damages.

7. List all payments related to the injury or disability in question that have been made to you, or on your behalf, from "collateral sources" as that term is defined in Minnesota Statutes, section 548.36.

8. List all amounts that have been paid, contributed, or forfeited

by, or on behalf of, you or members of your immediate family for the two-year period immediately before the accrual of this action to secure the right to collateral source benefits that have been made to you or on your behalf.

9. Do you contend any of the following:

a. That defendant did not possess that degree of skill and learning which is normally possessed and used by medical professionals in good standing in a similar practice and under like circumstances;

b. That defendant did not exercise that degree of skill and learning which is normally used by medical professionals in good standing in a similar practice and under like circumstances.

10. If your answer to any part of the foregoing interrogatory is yes, with respect to each answer:

a. Specify in detail each contention;

b. Specify in detail each act or omission of defendant which you contend was a departure from the degree of skill and learning normally used by medical professionals in a similar practice and under like circumstances;

c. Specify in detail the conduct of defendant as you claim it should have been;

d. Specify in detail each fact known to you and your attorneys upon which you base your answers to interrogatories 9 and 10.

11. If you claim defendant failed to disclose to you any risk concerning the involved medical care and treatment which, if disclosed, would have resulted in your refusing to consent to the medical care or treatment, then:

a. State in detail each and every thing defendant did tell you concerning the risks of the involved medical care and treatment, giving the approximate dates thereof and identifying all persons in attendance;

b. Describe each and every risk which you claim defendant should have, but failed to, disclose to you;

c. Describe in detail precisely what you claim defendant should have said to you, but failed to say, concerning the risks of the involved medical care and treatment;

d. Explain in detail all facts and reasons upon which you base the

claim that, if the foregoing risks were explained to you, you would not have consented to the involved medical care and treatment.

12. Please identify by name and current or last known address and telephone number each and every person who has or claims to have any knowledge of any facts relevant to the issues in this lawsuit, stating in detail all facts each person has or claims to have knowledge of.

13. As to each expert whom you expect to call as a witness at trial, please state:

a. The expert's name, address, occupation, and title;

b. The expert's field of expertise, including subspecialties, if any;

c. The expert's education background;

d. The expert's work experience in the field of expertise;

e. All professional societies and associations of which the expert is a member;

f. All hospitals at which the expert has staff privileges of any kind;

g. All written publications of which the expert is the author, giving the title of the publication and when and where it was published.

14. With respect to each person identified in answer to the foregoing interrogatory, state:

a. The subject matter on which the expert is expected to testify;

b. The substance of the facts and opinions to which the expert is expected to testify; and

c. A summary of the grounds for each opinion, including the specific factual data upon which the opinion will be based.

15. Have any statements been taken from any defendant or nonparty pertaining to this claim? For purposes of this request, a statement previously made is: (1) a written statement signed or otherwise adopted or approved by the person making it, or (2) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantial verbatim recital or an oral statement by the person making it and contemporaneously recorded. With regard to each statement, state:

a. The name and address of each person making a statement;

b. The date on which the statement was made;

c. The name and address of the person or persons taking each statement; and

d. The subject matter of the statement;

e. Attach a copy of each statement to the answers to these interrogatories.

f. If you claim that any information, document, or thing sought or requested is privileged, protected by the work product doctrine, or otherwise not discoverable, please:

1. Identify each document or thing by date, author, subject matter, and recipient;

2. State in detail the legal and factual basis for asserting said privilege, work product protection, or objection, or refusing to provide discovery as requested.

(c) Uniform defendant's interrogatories to the plaintiff for wrongful death cases are as follows:

DEFENDANT'S INTERROGATORIES TO PLAINTIFF
(WRONGFUL DEATH)

1. State the full name, age, present occupation, business address, present residence address, and address for a period of ten years prior to the present date for each heir or next of kin (including the Trustee) on whose behalf this action has been commenced.

2. Set forth the date of birth and place of birth of the decedent.

3. Set forth the date of birth and place of birth of the decedent's surviving spouse.

4. Set forth the names, date of birth, and places of birth of any children of decedent.

5. Set forth the names, addresses, and dates of birth of all heirs and next of kin of decedent and set forth the relationship of each individual to decedent.

6. Set forth the date of marriage between decedent and decedent's surviving spouse and the place of the marriage.

7. Set forth whether or not there were any proceedings for a legal separation or divorce instituted between decedent and decedent's surviving spouse and, if so, set forth the dates that the proceedings were instituted, the result of the proceedings, and the court in which the proceedings were instituted.

8. Set forth whether or not decedent was ever married to anyone other than decedent's surviving spouse and if so, set forth the names of any other spouse or spouses and the inclusive dates of any other marriages.

9. Set forth whether or not decedent's surviving spouse has ever been married to anyone other than decedent and, if so, set forth the names of any other spouses and the inclusive dates of any other marriages.

10. If you claim defendant failed to disclose to you any risk concerning the involved medical care and treatment which, if disclosed, would have resulted in the decedent's refusing to consent to the medical care or treatment, then:

a. State in detail each and every thing defendant did tell you concerning the risks of the involved medical care and treatment, giving the approximate dates thereof and identify all persons in attendance;

b. Describe each and every risk which you claim defendants should have, but failed to, disclose to you;

c. Describe in detail precisely what you claim defendant should have said to you, but failed to say, concerning the risks of the involved medical care and treatment;

d. Explain in detail all facts and reasons upon which you base the claim that, if the foregoing risks were explained to you, you would not have consented to the involved medical care and treatment.

11. Was the deceased employed at the time of death?

12. If the answer to Interrogatory No. 10 is yes, indicate the following:

a. The name and address of the deceased's employer and the nature of the employment;

b. The amount of earnings from the employment;

c. Defendant requests copies of the decedent's federal and state income tax return for the past five years.

13. If decedent was self-employed for any period of time during the ten-year period of time immediately preceding decedent's death, set forth the following:

a. The inclusive dates of the self-employment;

b. A specific and detailed description of the nature of the self-employment;

c. The business name and address under which decedent operated; and

d. A specific and detailed description of decedent's earnings from the self-employment.

14. Set forth in detail a chronological education history of decedent including the name and address of each school attended, the inclusive dates of attendance, the date of graduation, a description of any degrees awarded, a description of the major area of study and the grade point average upon graduation.

15. Did the decedent make any contribution of money, property, or other items having a money worth toward the support, maintenance, or well-being of any next of kin and, if so, please itemize the following:

a. The amount and nature of the contribution;

b. The date(s) upon which each contribution was made;

c. The persons(s) receiving each contribution;

d. The period of time over which the contributions were made;

e. The regularity or irregularity of the contributions;

f. Identify by date, author, type, recipient, and present custodian each and every document referring to or otherwise evidencing each contribution.

16. Identify by name and address each and every physician, surgeon, medical practitioner, or other health care practitioner whom the decedent consulted or who provided advice, treatment, or care for the decedent at any time within ten years prior to death and, with respect to the contact, consultation, treatment, or advice, describe the same with particularity and indicate the reasons for the same.

17. State the name and address of each and every hospital, treatment facility, or institution in which the decedent has been

confined for any reason at any time, and set forth with particularity the reasons for each confinement and/or treatment and the dates of each.

18. Itemize all special damages which you claim in this case and specify, where appropriate, the basis and reason for your calculation as to each item of special damages.

19. List any payment related to the injury or disability in question made to you, or on your behalf, from "collateral sources" as that term is defined in Minnesota Statutes, section 548.36.

20. List all amounts that have been paid, contributed or forfeited by, or on behalf of, you or members of your immediate family for the two-year period immediately before the accrual of this action to secure the right to collateral source benefits that have been made to you or on your behalf.

21. Do you contend any of the following:

a. That any of the defendants did not possess that degree of skill and learning which is normally possessed and used by medical professionals in good standing in a similar practice and under like circumstances? If so, identify the defendants;

b. That any of the defendants did not exercise that degree of skill and learning which is normally used by medical professionals in good standing in a similar practice and under like circumstances? If so, identify the defendants.

22. If your answer to any part of the foregoing interrogatory is yes, with respect to each answer:

a. Specify in detail your contention;

b. Specify in detail each act or omission of each defendant which you contend was a departure from that degree of skill and learning normally used by medical professionals in a similar practice and under like circumstances.

23. Please identify by name and current or last known address and telephone number of each and every person who has or claims to have any knowledge of any facts relevant to the issues in this lawsuit, stating in detail all facts each person has or claims to have knowledge of.

24. As to each expert whom you expect to call as a witness at trial, please state:

a. The expert's name, address, occupation, and title;

b. The expert's field of expertise, including subspecialties, if any;

c. The expert's education background;

d. The expert's work experience in the field of expertise;

e. All professional societies and associations of which the expert is a member;

f. All hospitals at which the expert has staff privileges of any kind;

g. All written publications of which the expert is the author, giving the title of the publication and when and where it was published.

25. With respect to each person identified in the foregoing interrogatory, state:

a. The subject matter on which the expert is expected to testify;

b. The substance of the facts and opinions to which the expert is expected to testify; and

c. A summary of the grounds for each opinion, including the specific factual data upon which the opinion will be based.

26. Set forth in detail anything said or written by which plaintiff claims to be relevant to any of the issues in this lawsuit, identifying the time and place of each statement, who was present, and what was said by each person who was present.

27. Have any statements been taken from any defendant or nonparty pertaining to this claim? For purposes of this request, a statement previously made is: (1) a written statement signed or otherwise adopted or approved by the person making it, or (2) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantial verbatim recital or an oral statement by the person making it and contemporaneously recorded. With regard to each statement, state:

a. The name and address of each person making a statement;

b. The date on which the statement was made;

c. The name and address of the person or persons taking each statement; and

d. The subject matter of each statement;

e. Attach a copy of each statement to the answers to these interrogatories;

f. If you claim that any information, document or thing sought or requested is privileged, protected by the work product doctrine, or otherwise not discoverable, please:

1. Identify each document or thing by date, author, subject matter, and recipient;

2. State in detail the legal and factual basis for asserting said privilege, work product protection, or objection, or refusing to provide discovery as requested.

ARTICLE 9

TRANSFER OF REGULATORY AUTHORITY FOR HEALTH MAINTENANCE ORGANIZATIONS

Section 1. [TRANSFER OF AUTHORITY.]

The commissioner of commerce has sole authority over the financial aspects of health maintenance organizations, and the commissioner of health has sole authority over the health care aspects of health maintenance organizations. Minnesota Statutes, section 15.039, applies to this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1993.

ARTICLE 10

FINANCING

Section 1. [16A.724] [HEALTH CARE ACCESS ACCOUNT.]

A health care access account is created in the general fund. The commissioner shall deposit to the credit of the account money made available to the account.

Sec. 2. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or

instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed $650 for each dependent in grades kindergarten to 6 and $1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; ~~and~~

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491.; and

(8) to the extent not deducted in determining federal taxable income, the amount paid for health insurance of self-employed individuals as determined under section 162(l) of the Internal Revenue Code, except that the 25 percent limit does not apply. If the taxpayer deducted insurance payments under section 213 of the Internal Revenue Code of 1986, the subtraction under this clause must be reduced by the lesser of:

(i) the total itemized deductions allowed under section 63(d) of the Internal Revenue Code, less state, local, and foreign income taxes deductible under section 164 of the Internal Revenue Code and the standard deduction under section 63(c) of the Internal Revenue Code; or

(ii) the lesser of (A) the amount of insurance qualifying as "medical care" under section 213(d) of the Internal Revenue Code to the extent not deducted under section 162(1) of the Internal Revenue Code or excluded from income or (B) the total amount deductible for medical care under section 213(a).

HOSPITALS AND HEALTH CARE PROVIDERS

Sec. 3. [295.50] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 295.50 to 295.56, the following terms have the meanings given.

Subd. 2. [COMMISSIONER.] "Commissioner" is the commissioner of revenue.

Subd. 3. [GROSS REVENUES.] "Gross revenues" are the total amount received, in money or otherwise,

(1) by a hospital for inpatient or outpatient services; and

(2) by a health care provider for health care services.

Subd. 4. [HEALTH CARE PROVIDER.] "Health care provider" is a provider qualifying for reimbursement under the medical assistance program, but excludes a hospital.

Subd. 5. [HMO.] "Health maintenance organization" is a nonprofit corporation licensed and operated as provided in chapter 62D.

Subd. 6. [HOME HEALTH CARE SERVICES.] "Home health care services" are services:

(1) defined under the state medical assistance program as home health agency services, personal care services and supervision of

personal care services, private duty nursing services, and waivered services; and

(2) provided at a recipient's residence, if the recipient does not live in a hospital, nursing facility, or intermediate care facility for persons with mental retardation.

Subd. 7. [HOSPITAL.] "Hospital" is a hospital licensed under chapter 144 or a surgical center.

Subd. 8. [SURGICAL CENTER.] "Surgical center" is an outpatient surgical center as defined in Minnesota Rules, chapter 4675.

Sec. 4. [295.51] [HOSPITAL TAX IMPOSED.]

A tax is imposed on each hospital equal to two percent of its gross revenues.

Sec. 5. [295.52] [HEALTH CARE PROVIDER TAX.]

Subdivision 1. [TAX IMPOSED.] A tax is imposed on each health care provider equal to the following percentages of gross revenues:

(1) for services provided after December 31, 1993, and before January 1, 1995, one percent;

(2) for services provided after December 31, 1994, and before January 1, 1996, 1.5 percent;

(3) for services provided after December 31, 1995, two percent.

Subd. 2. [HMOS; SPECIAL RULES.] (a) In determining the tax under this section, a health maintenance organization may deduct from gross revenues:

(1) amounts paid to hospitals for services that are subject to the tax under section 295.51;

(2) amounts paid to other health care providers that are subject to the tax under this section; and

(3) an allowance for administrative and underwriting services.

(b) The commissioner of health, in consultation with the commissioners of commerce and revenue, shall establish by rule under chapter 14 the percentage or percentages of health maintenance revenues that will be allowed as a deduction for administrative and underwriting expenses. The commissioner of health shall determine the percentage allowances based on the average expenses of health

maintenance organizations for expenses that are equivalent to the claims administration and other underwriting services of third party payors. These expenses do not include the portion of health maintenance organization costs that are similar to the administrative costs of direct health care providers, rather than third party payors. The commissioner of health may adopt emergency rules.

Sec. 6. [295.53] [EXEMPTIONS; ITEMIZATION.]

Subdivision 1. [EXEMPTIONS.] The gross revenues from the listed services are not subject to the hospital or health care provider taxes under sections 295.50 to 295.56:

(1) payments received from the federal government for services provided under the Medicare program, excluding enrollee deductible and coinsurance payments;

(2) medical assistance payments;

(3) payments received for nursing home services, services provided in an intermediate care facility for persons with mental retardation, and home care services.

Subd. 2. [RESTRICTION ON ITEMIZATION.] A hospital or health care provider may increase the amount of its charges to reflect the tax imposed under sections 295.50 to 295.56, but may not separately state or itemize the amount of the tax in billing patients or third party payors.

Sec. 7. [295.54] [PAYMENT OF TAX.]

Subdivision 1. [SCOPE.] The provisions of this section apply to the taxes imposed under sections 295.50 to 295.56.

Subd. 2. [ESTIMATED TAX.] (a) Each taxpayer must make estimated payments of the taxes for the calendar year in quarterly installments to the commissioner by April 15, July 15, October 15, and January 15 of the following calendar year.

(b) Estimated tax payments are not required if the tax for the calendar year is less than $500.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is, in addition, subject to a penalty equal to the greater of $50 or ten percent of the underpayment. An underpayment of an estimated installment is the difference between the amount paid and the lesser of 90 percent of (1) one-quarter of the tax for the

calendar year or (2) the tax for the actual gross revenues received during the quarter.

Subd. 3. [ANNUAL RETURN.] The hospital or health care provider must file an annual return, reconciling the quarterly estimated payments by March 15 of the following calendar year.

Subd. 4. [FORM OF RETURNS.] The estimated payments and annual return must contain the information and be in the form prescribed by the commissioner.

Sec. 8. [295.55] [COLLECTION AND ENFORCEMENT; SALES TAX PROVISIONS APPLY.]

Unless specifically provided by sections 295.50 to 295.56, the enforcement, collection, interest, and penalty provisions, including criminal penalties, for the general sales tax under chapters 289A and 297A apply to a liability for the taxes imposed under sections 295.50 to 295.56 as if it were a sales tax liability.

Sec. 9. [295.56] [DEPOSIT OF REVENUES.]

The commissioner shall deposit the tax, interest, and penalties paid under sections 295.50 to 295.56 in the health care access account in the general fund.

Sec. 10. Minnesota Statutes 1991 Supplement, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~21.5~~ 24 mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, ~~43~~ 48 mills on each such cigarette.

Sec. 11. [TEMPORARY DEPOSIT OF CIGARETTE TAX REVENUES.]

Notwithstanding the provisions of Minnesota Statutes, section 297.13, the revenue provided by 2.5 mills of the tax on cigarettes weighing not more than three pounds a thousand and five mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the health care access account in the general fund. This section applies only to revenue collected for sales after

June 30, 1992 and before January 1, 1994. Revenue includes revenue from the tax, interest, and penalties collected under the provisions of Minnesota Statutes, section 297.01 to 297.13.

This section expires June 30, 1994.

Sec. 12. [EFFECTIVE DATE.]

Section 2 is effective for taxable years beginning after December 31, 1991. Section 4 is effective for gross revenues received after December 31, 1992. Section 10 is effective for cigarettes sold or possessed after June 30, 1992.

ARTICLE 11

APPROPRIATIONS

Section 1. APPROPRIATIONS

Subdivision 1. The amounts specified in this section are appropriated from the health care access account in the general fund to the agencies and for the purposes indicated in articles 1 to 10, to be available until June 30, 1993.

Subd. 2. Commissioner of Commerce	$ 25,000
Subd. 3. Commissioner of Health	1,529,000
Subd. 4. Commissioner of Human Services	12,992,000
Subd. 5. Higher Education Coordinating Board	166,000
Subd. 6. Commissioner of Employee Relations	1,700,000
Subd. 7. Minnesota Health Care Commission	1,451,000
Subd. 8. Board of Regents of the University of Minnesota	2,200,000
Subd. 9. Commissioner of Revenue	350,000
Subd. 10. Administration	514,000"

Delete the title and insert:

"A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, by adding a subdivision; 43A.17, subdivision 9; 43A.316, by adding subdivisions; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 9, and by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 144.581, subdivision 1, and by adding a subdivision; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; 256B.057, by adding a subdivision; 290.01, subdivision 19b; and 447.31, subdivisions 1 and 3; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A; 43A; 62A; 62E; 62J; 136A; 137; 144; 214; 256; 256B; 295; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; 62A.02, subdivisions 4 and 5; 62E.51; 62E.52; 62E.53; 62E.54; and 62E.55; Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9."

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

The report was adopted.

SPECIAL ORDERS

Welle moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Welle moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Erhardt moved that the name of Hufnagle be added as an author on H. F. No. 2935. The motion prevailed.

Orfield moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the affirmative on Thursday, April 2, 1992, on the second Krueger amendment to H. F. No. 2121, as amended." The motion prevailed.

Pelowski moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the affirmative on Thursday, April 2, 1992, on the Lynch amendment to H. F. No. 2121, as amended." The motion prevailed.

Begich moved that H. F. No. 1951 be returned to its author. The motion prevailed.

Pellow moved that H. F. No. 2664 be returned to its author. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2031:

Olson, E.; Schreiber and Jacobs.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2121:

Nelson, K.; Bauerly; McEachern; Hausman and Weaver.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2608:

O'Connor, Sarna and Anderson, R.

ADJOURNMENT

Welle moved that when the House adjourns today it adjourn until 1:00 p.m., Wednesday, April 8, 1992. The motion prevailed.

Welle moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Wednesday, April 8, 1992.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

NINETY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 8, 1992

The House of Representatives convened at 1:00 p.m. and was called to order by Dee Long, Speaker of the House.

Prayer was offered by Sister Mary Tacheny, Coordinator of Rural Concerns for the Minnesota Catholic Conference, Mendota, Minnesota.

The roll was called and the following members were present:

Abrams	Frederick	Kelso	Ogren	Simoneau
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krambeer	Omann	Sparby
Bauerly	Greenfield	Krinkie	Onnen	Stanius
Beard	Gruenes	Krueger	Orenstein	Steensma
Begich	Gutknecht	Lasley	Orfield	Sviggum
Bertram	Hanson	Leppik	Osthoff	Swenson
Bettermann	Hartle	Lieder	Ostrom	Thompson
Bishop	Hasskamp	Limmer	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vanasek
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Schreiber	Winter
Erhardt	Kahn	Newinski	Seaberg	Spk. Long
Farrell	Kalis	O'Connor	Segal	

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Smith moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Pugh introduced:

H. F. No. 3037, A bill for an act relating to real property; providing for a statute of limitations on certain causes of action for specific performance or recovery of money damages; amending Minnesota Statutes 1990, section 500.24, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Judiciary.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. No. 2768.

H. F. No. 2768, A bill for an act relating to education; transferring functions of the higher education coordinating board; changing the membership, terms, and functions of the higher education board; allowing the merger of certain technical colleges by agreement; amending Minnesota Statutes 1991 Supplement, sections 15A.081, subdivision 7b; 136E.01; 136E.02; 179A.10, subdivision 2; Laws 1991, chapter 356, article 9, section 8, subdivisions 1 and 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 136E; repealing Minnesota Statutes 1990, sections 136A.01; 136A.02; 136A.03; and 136A.04, subdivision 2; Minnesota Statutes 1991 Supplement, sections 135A.061; 135A.50; 136A.04, subdivision 1; 136E.03; 136E.04; and 136E.05; Laws 1991, chapter 356, article 9, section 8, subdivisions 3 to 9; and sections 9 to 16.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Boo	Dauner	Erhardt
Anderson, I.	Begich	Brown	Davids	Farrell
Anderson, R.	Bertram	Carlson	Dawkins	Frederick
Anderson, R. H.	Bettermann	Carruthers	Dempsey	Garcia
Battaglia	Blatz	Clark	Dille	Girard
Bauerly	Bodahl	Cooper	Dorn	Goodno

Greenfield	Kinkel	Murphy	Pugh	Swenson
Gruenes	Knickerbocker	Nelson, K.	Reding	Thompson
Gutknecht	Koppendrayer	Nelson, S.	Rest	Tompkins
Hanson	Krambeer	Newinski	Rice	Trimble
Hartle	Krinkie	O'Connor	Rodosovich	Tunheim
Hasskamp	Krueger	Ogren	Rukavina	Uphus
Hausman	Lasley	Olsen, S.	Runbeck	Valento
Henry	Leppik	Olson, E.	Sarna	Vanasek
Hufnagle	Lieder	Olson, K.	Schafer	Vellenga
Hugoson	Limmer	Omann	Schreiber	Wagenius
Jacobs	Lynch	Onnen	Seaberg	Waltman
Janezich	Macklin	Orenstein	Segal	Wejcman
Jaros	Mariani	Orfield	Simoneau	Welker
Jefferson	Marsh	Osthoff	Skoglund	Welle
Jennings	McEachern	Ostrom	Smith	Wenzel
Johnson, A.	McGuire	Ozment	Solberg	Winter
Johnson, R.	McPherson	Pauly	Sparby	
Johnson, V.	Milbert	Pellow	Stanius	
Kahn	Morrison	Pelowski	Steensma	
Kelso	Munger	Peterson	Sviggum	

Those who voted in the negative were:

Frerichs	Haukoos	Heir	Kalis	Weaver

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Welle, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately preceding printed Special Orders for today, Wednesday, April 8, 1992:

H. F. No. 2269; S. F. Nos. 1252, 1558, 1856, 2136, 1722, 2383 and 2311; H. F. No. 699; S. F. No. 2037; H. F. No. 2884; S. F. Nos. 2247, 2392, 2298, 2430 and 512; H. F. Nos. 2147, 1960 and 2159; S. F. Nos. 1985, 2257, 2177, 2382 and 1716; and H. F. Nos. 2601 and 2586.

SPECIAL ORDERS

H. F. No. 2269 was reported to the House.

Garcia, Henry, Blatz and Anderson, I., moved to amend H. F. No. 2269, the first engrossment, as follows:

Page 1, line 21, before the comma insert "of this subdivision"

Page 2, line 8, before "shall" insert "of this subdivision"

Page 2, line 10, delete "12" and insert "25"

Page 2, line 13, delete "15" and insert "30"

Page 2, line 16, delete "20" and insert "35"

Page 2, line 19, delete "20" and insert "40"

Amend the title as follows:

Page 1, line 4, delete "setting property acquisition conditions" and insert "requiring a recommendation to the legislature"

The motion prevailed and the amendment was adopted.

H. F. No. 2269, A bill for an act relating to metropolitan government; requiring the metropolitan airports commission to budget for noise mitigation; requiring a recommendation to the legislature; amending Minnesota Statutes 1990, section 473.661, subdivision 1, and by adding a subdivision.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Koppendrayer	Olson, E.	Solberg
Anderson, I.	Garcia	Krambeer	Olson, K.	Sparby
Anderson, R.	Girard	Krueger	Omann	Steensma
Battaglia	Greenfield	Lasley	Onnen	Sviggum
Bauerly	Gutknecht	Leppik	Orenstein	Swenson
Beard	Hanson	Lieder	Orfield	Thompson
Begich	Hartle	Limmer	Osthoff	Tompkins
Bertram	Hasskamp	Lourey	Ostrom	Trimble
Bettermann	Hausman	Lynch	Ozment	Tunheim
Blatz	Heir	Macklin	Pauly	Uphus
Bodahl	Henry	Mariani	Pellow	Valento
Boo	Hufnagle	Marsh	Pelowski	Vanasek
Brown	Hugoson	McEachern	Peterson	Vellenga
Carlson	Jacobs	McGuire	Pugh	Wagenius
Carruthers	Janezich	McPherson	Reding	Waltman
Clark	Jaros	Milbert	Rest	Weaver
Cooper	Jefferson	Morrison	Rice	Wejcman
Dauner	Jennings	Munger	Rodosovich	Welker
Davids	Johnson, A.	Murphy	Rukavina	Welle
Dawkins	Johnson, R.	Nelson, K.	Runbeck	Wenzel
Dempsey	Johnson, V.	Nelson, S.	Sarna	Winter
Dille	Kahn	Newinski	Schafer	Spk. Long
Dorn	Kalis	O'Connor	Seaberg	
Erhardt	Kelso	Ogren	Segal	
Farrell	Kinkel	Olsen, S.	Simoneau	

Those who voted in the negative were:

Anderson, R. H.	Gruenes	Krinkie	Smith
Frerichs	Haukoos	Schreiber	Stanius
Goodno	Knickerbocker	Skoglund	

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

S. F. No. 1252, A bill for an act relating to state lands; authorizing the Minnesota veterans homes board to lease certain land adjacent to Minnehaha state park to the Minneapolis park and recreation board.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Olson, E.	Smith
Anderson, I.	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, R.	Girard	Krambeer	Omann	Sparby
Anderson, R. H.	Goodno	Krinkie	Onnen	Stanius
Battaglia	Gruenes	Krueger	Orenstein	Steensma
Bauerly	Gutknecht	Lasley	Orfield	Sviggum
Beard	Hanson	Leppik	Osthoff	Swenson
Begich	Hartle	Lieder	Ostrom	Thompson
Bertram	Hasskamp	Limmer	Ozment	Tompkins
Bettermann	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vellenga
Carlson	Hugoson	McEachern	Reding	Wagenius
Carruthers	Jacobs	McGuire	Rest	Waltman
Clark	Janezich	McPherson	Rice	Weaver
Cooper	Jaros	Milbert	Rodosovich	Wejcman
Dauner	Jefferson	Morrison	Rukavina	Welker
Davids	Jennings	Munger	Runbeck	Welle
Dawkins	Johnson, A.	Murphy	Sarna	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schafer	Winter
Dille	Johnson, V.	Nelson, S.	Schreiber	Spk. Long
Dorn	Kahn	Newinski	Seaberg	
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	
Frederick	Kinkel	Olsen, S.	Skoglund	

The bill was passed and its title agreed to.

S. F. No. 1558, A bill for an act relating to retirement; Duluth fire and police pension plans; authorizing a joint consolidation account in the event of the consolidation of the Duluth fire department relief association with the public employees police and fire fund.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Garcia	Koppendrayer	Olson, K.	Solberg
Anderson, I.	Girard	Krambeer	Omann	Sparby
Anderson, R.	Goodno	Krinkie	Onnen	Stanius
Anderson, R. H.	Greenfield	Krueger	Orenstein	Steensma
Battaglia	Gruenes	Lasley	Orfield	Sviggum
Bauerly	Gutknecht	Leppik	Osthoff	Swenson
Beard	Hanson	Lieder	Ostrom	Thompson
Begich	Hartle	Limmer	Ozment	Tompkins
Bertram	Hasskamp	Lourey	Pauly	Trimble
Bettermann	Haukoos	Lynch	Pellow	Tunheim
Blatz	Hausman	Macklin	Pelowski	Uphus
Bodahl	Heir	Mariani	Peterson	Valento
Boo	Hufnagle	Marsh	Pugh	Vanasek
Brown	Hugoson	McEachern	Reding	Vellenga
Carlson	Jacobs	McGuire	Rest	Wagenius
Carruthers	Janezich	McPherson	Rice	Waltman
Clark	Jaros	Milbert	Rodosovich	Weaver
Cooper	Jefferson	Morrison	Rukavina	Wejcman
Dauner	Jennings	Munger	Runbeck	Welker
Davids	Johnson, A.	Murphy	Sarna	Welle
Dawkins	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dempsey	Johnson, V.	Nelson, S.	Schreiber	Winter
Dorn	Kahn	Newinski	Seaberg	Spk. Long
Erhardt	Kalis	O'Connor	Segal	
Farrell	Kelso	Ogren	Simoneau	
Frederick	Kinkel	Olsen, S.	Skoglund	
Frerichs	Knickerbocker	Olson, E.	Smith	

The bill was passed and its title agreed to.

S. F. No. 1856 was reported to the House.

Pugh moved to amend S. F. No. 1856, as follows:

Page 28, line 13, delete "30" and insert "32"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1856, A bill for an act relating to real property; abolishing

issuance of duplicate certificates of title and duplicate CPTs for use by lessees and mortgagees of registered land; providing for mortgage satisfaction or release by fewer than all mortgagees; regulating various notice, hearing, and other procedures and requirements for foreclosures and other involuntary transfers of real property; providing for new certificates of title or CPT to be issued for registered land adjoining a vacated street or alley; providing that purchase money mortgages are subject to rights or interest of nonmortgaging spouse; providing that marital property interest of nontitled spouse is not subject to levy, judgments, or tax liens; clarifying provisions relating to notice of termination of contract for deed; changing certain dates relating to validation of mortgage foreclosures; amending Minnesota Statutes 1990, sections 507.03; 508.44, subdivision 2; 508.45; 508.55; 508.56; 508.57; 508.58; 508.59; 508.67; 508.71, subdivision 6; 508.73; 508.835; 508A.11, subdivision 3; 508A.44, subdivision 2; 508A.45; 508A.55; 508A.56; 508A.57; 508A.58; 508A.59; 508A.71, subdivision 6; 508A.73; 508A.835; 508A.85, subdivision 3; 514.08, subdivision 2; 518.54, subdivision 5; 559.21, subdivisions 2a and 3; 580.15; 582.01, by adding a subdivision; and 582.27; Minnesota Statutes 1991 Supplement, sections 508.82; and 508A.82; proposing coding for new law in Minnesota Statutes, chapters 507; and 580.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Johnson, V.	Murphy	Rukavina
Anderson, I.	Frederick	Kahn	Nelson, K.	Runbeck
Anderson, R.	Frerichs	Kalis	Nelson, S.	Sarna
Anderson, R. H.	Garcia	Kelso	Newinski	Schafer
Battaglia	Girard	Kinkel	O'Connor	Schreiber
Bauerly	Goodno	Knickerbocker	Ogren	Seaberg
Beard	Greenfield	Koppendrayer	Olsen, S.	Segal
Begich	Gruenes	Krambeer	Olson, E.	Simoneau
Bertram	Gutknecht	Krinkie	Olson, K.	Skoglund
Bettermann	Hanson	Krueger	Omann	Smith
Blatz	Hartle	Lasley	Onnen	Solberg
Bodahl	Hasskamp	Leppik	Orenstein	Sparby
Boo	Haukoos	Lieder	Orfield	Stanius
Brown	Hausman	Limmer	Osthoff	Steensma
Carlson	Heir	Lourey	Ostrom	Sviggum
Carruthers	Henry	Lynch	Ozment	Swenson
Clark	Hufnagle	Macklin	Pauly	Thompson
Cooper	Hugoson	Mariani	Pellow	Tompkins
Dauner	Jacobs	Marsh	Pelowski	Trimble
Davids	Janezich	McEachern	Peterson	Tunheim
Dawkins	Jaros	McGuire	Pugh	Uphus
Dempsey	Jefferson	McPherson	Reding	Valento
Dille	Jennings	Milbert	Rest	Vanasek
Dorn	Johnson, A.	Morrison	Rice	Vellenga
Erhardt	Johnson, R.	Munger	Rodosovich	Wagenius

Waltman	Wejcman	Welle	Winter
Weaver	Welker	Wenzel	Spk. Long

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

S. F. No. 2136 was reported to the House.

Peterson moved to amend S. F. No. 2136, as follows:

Page 2, line 20, reinstate the stricken language

Page 2, line 21, reinstate the stricken "affected rail line,"

Page 2, lines 22 and 23, reinstate the stricken language

The motion prevailed and the amendment was adopted.

S. F. No. 2136, A bill for an act relating to labor; protecting interests of employees following railroad acquisitions; imposing a penalty; amending Minnesota Statutes 1990, sections 222.86, subdivision 3; 222.87, by adding a subdivision; and 222.88.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Johnson, R.	Morrison	Reding
Anderson, I.	Frederick	Johnson, V.	Munger	Rest
Battaglia	Frerichs	Kahn	Murphy	Rice
Bauerly	Garcia	Kalis	Nelson, K.	Rodosovich
Beard	Girard	Kelso	Nelson, S.	Rukavina
Begich	Goodno	Kinkel	Newinski	Runbeck
Bertram	Greenfield	Knickerbocker	O'Connor	Sarna
Bettermann	Gruenes	Koppendrayer	Ogren	Schafer
Bodahl	Gutknecht	Krambeer	Olsen, S.	Schreiber
Boo	Hanson	Krueger	Olson, E.	Seaberg
Brown	Hartle	Lasley	Olson, K.	Segal
Carlson	Hasskamp	Lieder	Omann	Simoneau
Carruthers	Haukoos	Limmer	Omnen	Skoglund
Clark	Hausman	Lourey	Orenstein	Solberg
Cooper	Henry	Lynch	Orfield	Sparby
Dauner	Hugoson	Macklin	Osthoff	Stanius
Davids	Jacobs	Mariani	Ostrom	Steensma
Dawkins	Janezich	Marsh	Ozment	Sviggum
Dempsey	Jaros	McEachern	Pellow	Swenson
Dille	Jefferson	McGuire	Pelowski	Thompson
Dorn	Jennings	McPherson	Peterson	Tompkins
Erhardt	Johnson, A.	Milbert	Pugh	Trimble

Tunheim	Vanasek	Waltman	Welker	Winter
Uphus	Vellenga	Weaver	Welle	Spk. Long
Valento	Wagenius	Wejcman	Wenzel	

Those who voted in the negative were:

Anderson, R. H.	Heir	Krinkie	Smith
Blatz	Hufnagle	Pauly	

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

The Speaker called Dempsey to the Chair.

S. F. No. 1722 was reported to the House.

Jefferson moved to amend S. F. No. 1722, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [MINNEAPOLIS UPPER HARBOR REVERTER.]

The commissioner of revenue on behalf of the state of Minnesota shall release certain land situated in the city of Minneapolis from a covenant requiring that the land be used exclusively for public harbor purposes, and declare that the state's reversionary interest in the land upon the violation of the covenant is void.

The covenant and reversionary interest are contained in a conveyance of forfeited lands dated July 21, 1944, and recorded August 14, 1944, in the office of the county recorder, Hennepin county, as document no. 2246035. The land to be released is described as blocks 1 and 6, and that part of 37th Avenue North vacated between blocks 1 and 6, and blocks 2 and 5 and that part of 37th Avenue North vacated between blocks 2 and 5, all in D.L. Peck's rearrangement of D.L. Peck's addition to Minneapolis, Hennepin county, Minnesota."

Delete the title and insert:

"A bill for an act relating to state lands; providing for the release of a state interest in certain property in the city of Minneapolis."

The motion prevailed and the amendment was adopted.

S. F. No. 1722, A bill for an act relating to state lands; providing for the release of a state interest in certain property in the city of Minneapolis.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Simoneau
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krambeer	Omann	Sparby
Bauerly	Greenfield	Krinkie	Onnen	Stanius
Beard	Gruenes	Krueger	Orenstein	Steensma
Begich	Gutknecht	Lasley	Orfield	Sviggum
Bertram	Hanson	Leppik	Osthoff	Swenson
Bettermann	Hartle	Lieder	Ostrom	Thompson
Bishop	Hasskamp	Limmer	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vanasek
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Schreiber	Winter
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	

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

S. F. No. 2383, A bill for an act relating to peace officers; affording qualified federal law enforcement officers the authority of peace officers when assigned to special state and federal task forces; proposing coding for new law in Minnesota Statutes, chapter 626.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Bodahl	Cooper	Dorn
Anderson, I.	Begich	Boo	Dauner	Erhardt
Anderson, R.	Bertram	Brown	Davids	Farrell
Anderson, R. H.	Bettermann	Carlson	Dawkins	Frederick
Battaglia	Bishop	Carruthers	Dempsey	Frerichs
Bauerly	Blatz	Clark	Dille	Garcia

Girard	Johnson, V.	McPherson	Pellow	Steensma
Goodno	Kahn	Milbert	Pelowski	Sviggum
Greenfield	Kalis	Morrison	Peterson	Swenson
Gruenes	Kelso	Munger	Pugh	Thompson
Gutknecht	Kinkel	Murphy	Reding	Tompkins
Hanson	Knickerbocker	Nelson, K.	Rest	Trimble
Hartle	Koppendrayer	Nelson, S.	Rice	Tunheim
Hasskamp	Krambeer	Newinski	Rodosovich	Uphus
Haukoos	Krinkie	O'Connor	Rukavina	Valento
Hausman	Krueger	Ogren	Runbeck	Vanasek
Heir	Lasley	Olsen, S.	Sarna	Vellenga
Henry	Leppik	Olson, E.	Schafer	Wagenius
Hufnagle	Lieder	Olson, K.	Schreiber	Waltman
Hugoson	Limmer	Omann	Seaberg	Weaver
Jacobs	Lourey	Onnen	Segal	Wejcman
Janezich	Lynch	Orenstein	Simoneau	Welker
Jaros	Macklin	Orfield	Skoglund	Welle
Jefferson	Mariani	Osthoff	Smith	Wenzel
Jennings	Marsh	Ostrom	Solberg	Winter
Johnson, A.	McEachern	Ozment	Sparby	
Johnson, R.	McGuire	Pauly	Stanius	

The bill was passed and its title agreed to.

S. F. No. 2311, A bill for an act relating to waters; authorizing agreements by soil and water conservation districts for enforcement of city or county controls; amending Minnesota Statutes 1990, section 103C.331, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dille	Jaros	Marsh	Pauly
Anderson, I.	Dorn	Jefferson	McEachern	Pellow
Anderson, R.	Erhardt	Jennings	McGuire	Pelowski
Anderson, R. H.	Farrell	Johnson, A.	McPherson	Peterson
Battaglia	Frederick	Johnson, R.	Milbert	Pugh
Bauerly	Frerichs	Johnson, V.	Morrison	Reding
Beard	Garcia	Kahn	Munger	Rest
Begich	Girard	Kalis	Murphy	Rice
Bertram	Goodno	Kelso	Nelson, K.	Rodosovich
Bettermann	Greenfield	Kinkel	Nelson, S.	Rukavina
Bishop	Gruenes	Knickerbocker	Newinski	Runbeck
Blatz	Gutknecht	Koppendrayer	O'Connor	Sarna
Bodahl	Hanson	Krambeer	Ogren	Schafer
Boo	Hartle	Krinkie	Olsen, S.	Schreiber
Brown	Hasskamp	Krueger	Olson, E.	Seaberg
Carlson	Haukoos	Lasley	Olson, K.	Segal
Carruthers	Hausman	Leppik	Omann	Simoneau
Clark	Heir	Lieder	Onnen	Skoglund
Cooper	Henry	Limmer	Orenstein	Smith
Dauner	Hufnagle	Lourey	Orfield	Solberg
Davids	Hugoson	Lynch	Osthoff	Sparby
Dawkins	Jacobs	Macklin	Ostrom	Stanius
Dempsey	Janezich	Mariani	Ozment	Steensma

Sviggum	Trimble	Vanasek	Weaver	Wenzel
Swenson	Tunheim	Vellenga	Wejcman	Winter
Thompson	Uphus	Wagenius	Welker	Spk. Long
Tompkins	Valento	Waltman	Welle	

The bill was passed and its title agreed to.

H. F. No. 699 was reported to the House.

Reding moved to amend H. F. No. 699, the first engrossment, as follows:

Page 2, line 6, after "on" delete the balance of the line and insert "July 1, 1992."

Page 2, delete line 7

The motion prevailed and the amendment was adopted.

H. F. No. 699, A bill for an act relating to retirement; judges retirement fund; eliminating the offset for a portion of social security benefits; amending Minnesota Statutes 1991 Supplement, section 490.123, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 355; repealing Minnesota Statutes 1990, section 490.129.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Clark	Hanson	Kahn	McEachern
Anderson, I.	Cooper	Hartle	Kalis	McGuire
Anderson, R.	Dauner	Hasskamp	Kelso	McPherson
Anderson, R. H.	Davids	Haukoos	Kinkel	Milbert
Battaglia	Dawkins	Hausman	Knickerbocker	Morrison
Bauerly	Dille	Heir	Koppendrayer	Munger
Beard	Dorn	Henry	Krambeer	Murphy
Begich	Erhardt	Hufnagle	Krinkie	Nelson, K.
Bertram	Farrell	Hugoson	Krueger	Nelson, S.
Bettermann	Frederick	Jacobs	Lasley	Newinski
Bishop	Frerichs	Janezich	Leppik	O'Connor
Blatz	Garcia	Jaros	Lieder	Ogren
Bodahl	Girard	Jefferson	Limmer	Olson, E.
Boo	Goodno	Jennings	Lourey	Olson, K.
Brown	Greenfield	Johnson, A.	Lynch	Omann
Carlson	Gruenes	Johnson, R.	Mariani	Onnen
Carruthers	Gutknecht	Johnson, V.	Marsh	Orenstein

Orfield	Rest	Segal	Swenson	Wagenius
Osthoff	Rice	Simoneau	Thompson	Waltman
Ostrom	Rodosovich	Skoglund	Tompkins	Weaver
Ozment	Rukavina	Smith	Trimble	Wejcman
Pauly	Runbeck	Solberg	Tunheim	Welker
Pellow	Sarna	Sparby	Uphus	Welle
Pelowski	Schafer	Stanius	Valento	Wenzel
Peterson	Schreiber	Steensma	Vanasek	Winter
Reding	Seaberg	Sviggum	Vellenga	Spk. Long

Those who voted in the negative were:

Pugh

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

S. F. No. 2037 was reported to the House.

Bauerly moved to amend S. F. No. 2037, as follows:

Page 2, line 29, after "employers" insert "other than townships"

The motion prevailed and the amendment was adopted.

S. F. No. 2037, A bill for an act relating to public employment; requiring the commissioner of the bureau of mediation services to adopt a uniform baseline determination document and a uniform collective bargaining agreement settlement document and to prescribe procedures for the use of these documents; amending Minnesota Statutes 1990, section 179A.04, subdivision 3.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown	Frerichs	Hufnagle	Knickerbocker
Anderson, I.	Carlson	Garcia	Hugoson	Koppendrayer
Anderson, R.	Carruthers	Girard	Jacobs	Krambeer
Anderson, R. H.	Clark	Goodno	Janezich	Krinkie
Battaglia	Cooper	Greenfield	Jaros	Krueger
Bauerly	Dauner	Gruenes	Jefferson	Lasley
Beard	Davids	Gutknecht	Jennings	Leppik
Begich	Dawkins	Hanson	Johnson, A.	Lieder
Bertram	Dempsey	Hartle	Johnson, R.	Limmer
Bettermann	Dille	Hasskamp	Johnson, V.	Lourey
Bishop	Dorn	Haukoos	Kahn	Lynch
Blatz	Erhardt	Hausman	Kalis	Macklin
Bodahl	Farrell	Heir	Kelso	Mariani
Boo	Frederick	Henry	Kinkel	Marsh

McEachern	Olson, E.	Pugh	Skoglund	Valento
McGuire	Olson, K.	Reding	Smith	Vanasek
McPherson	Omann	Rest	Solberg	Vellenga
Milbert	Onnen	Rice	Sparby	Wagenius
Morrison	Orenstein	Rodosovich	Stanius	Waltman
Munger	Orfield	Rukavina	Steensma	Weaver
Murphy	Osthoff	Runbeck	Sviggum	Wejcman
Nelson, K.	Ostrom	Sarna	Swenson	Welker
Nelson, S.	Ozment	Schafer	Thompson	Welle
Newinski	Pauly	Schreiber	Tompkins	Wenzel
O'Connor	Pellow	Seaberg	Trimble	Winter
Ogren	Pelowski	Segal	Tunheim	Spk. Long
Olsen, S.	Peterson	Simoneau	Uphus	

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

H. F. No. 2884, A bill for an act relating to bond allocation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1991 Supplement, sections 462A.073, subdivision 1; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.061, subdivisions 1 and 3; and 474A.091, subdivisions 2 and 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Simoneau
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krambeer	Omann	Sparby
Bauerly	Greenfield	Krinkie	Onnen	Stanius
Beard	Gruenes	Krueger	Orenstein	Steensma
Begich	Gutknecht	Lasley	Orfield	Sviggum
Bertram	Hanson	Leppik	Osthoff	Swenson
Bettermann	Hartle	Lieder	Ostrom	Thompson
Bishop	Hasskamp	Limmer	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vanasek
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Schreiber	Winter
Erhardt	Kahn	Newinski	Seaberg	Spk. Long
Farrell	Kalis	O'Connor	Segal	

The bill was passed and its title agreed to.

S. F. No. 2247 was reported to the House.

Segal moved to amend S. F. No. 2247, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [252.431] [SUPPORTED EMPLOYMENT SERVICES; DEPARTMENTAL DUTIES; COORDINATION.]

The commissioners of jobs and training, human services, and education shall ensure that supported employment services provided as part of a comprehensive service system will:

(1) provide the necessary supports to assist persons with severe disabilities to obtain and maintain employment in normalized work settings available to the general work force that:

(i) maximize community and social integration; and

(ii) provide job opportunities that meet the individual's career potential and interests;

(2) allow persons with severe disabilities to actively participate in the planning and delivery of community-based employment services at the individual, local, and state level; and

(3) be coordinated among the departments of human services, jobs and training, and education to:

(i) promote the most efficient and effective funding;

(ii) avoid duplication of services; and

(iii) improve access and transition to employability services.

The commissioners of jobs and training, human services, and education shall report to the legislature by January 1993 on the steps taken to implement this section.

Sec. 2. [PUBLIC GUARDIANSHIP; REPORT.]

Except as specified in this section, the commissioner of human services shall, within 90 days of the effective date of this section, submit for publication in the State Register, the rule parts proposed under the authority of section 252A.21, subdivision 2. Notwithstanding the contrary requirements of section 252A.21, subdivision 2, the commissioner of human services shall not adopt any rule provision under this section requiring that the county staff that performs public guardianship or conservatorship duties on behalf of

a person with mental retardation cannot be the same worker that provides case management services, unless the state provides sufficient new state funding to cover the additional county costs of complying with this requirement.

The commissioner shall submit a report to the legislature by January 15, 1993, which contains alternative proposals for providing services to public wards and which includes recommendations on the establishment of an independent public guardianship office."

Delete the title and insert:

"A bill for an act relating to human services; defining supported employment services; prohibiting the commissioner from adopting rules requiring counties to separate their public guardianship function from their case management function, unless state funding is provided to cover county costs; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 252."

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

S. F. No. 2247, A bill for an act relating to human services; prohibiting the commissioner from adopting rules requiring counties to separate their public guardianship function from their case management function, unless state funding is provided to cover county costs; requiring a report.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Carlson	Garcia	Hugoson	Koppendrayer
Anderson, I.	Carruthers	Girard	Jacobs	Krambeer
Anderson, R.	Clark	Goodno	Janezich	Krinkie
Anderson, R. H.	Cooper	Greenfield	Jaros	Krueger
Battaglia	Dauner	Gruenes	Jefferson	Lasley
Bauerly	Davids	Gutknecht	Jennings	Leppik
Beard	Dawkins	Hanson	Johnson, A.	Lieder
Begich	Dempsey	Hartle	Johnson, R.	Limmer
Bertram	Dille	Hasskamp	Johnson, V.	Lourey
Bettermann	Dorn	Haukoos	Kahn	Lynch
Bishop	Erhardt	Hausman	Kalis	Macklin
Blatz	Farrell	Heir	Kelso	Mariani
Bodahl	Frederick	Henry	Kinkel	Marsh
Boo	Frerichs	Hufnagle	Knickerbocker	McEachern

McGuire	Olson, E.	Reding	Smith	Valento
McPherson	Olson, K.	Rest	Solberg	Vanasek
Milbert	Omann	Rice	Sparby	Vellenga
Morrison	Orenstein	Rodosovich	Stanius	Wagenius
Munger	Orfield	Rukavina	Steensma	Waltman
Murphy	Osthoff	Runbeck	Sviggum	Weaver
Nelson, K.	Ostrom	Sarna	Swenson	Wejcman
Nelson, S.	Ozment	Schafer	Thompson	Welker
Newinski	Pauly	Schreiber	Tompkins	Welle
O'Connor	Pelowski	Seaberg	Trimble	Wenzel
Ogren	Peterson	Segal	Tunheim	Winter
Olsen, S.	Pugh	Simoneau	Uphus	Spk. Long

Those who voted in the negative were:

Onnen

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

Rodosovich moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Krueger.

S. F. No. 2392, A bill for an act relating to state parks; authorizing additions to and deletions from certain state parks; authorizing an easement and regulating campground use at McCarthy Beach state park.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bishop	Davids	Girard	Heir
Anderson, I.	Blatz	Dawkins	Goodno	Henry
Anderson, R.	Bodahl	Dempsey	Greenfield	Hufnagle
Anderson, R. H.	Boo	Dille	Gruenes	Hugoson
Battaglia	Brown	Dorn	Gutknecht	Jacobs
Bauerly	Carlson	Erhardt	Hanson	Janezich
Beard	Carruthers	Farrell	Hartle	Jaros
Begich	Clark	Frederick	Hasskamp	Jefferson
Bertram	Cooper	Frerichs	Haukoos	Jennings
Bettermann	Dauner	Garcia	Hausman	Johnson, A.

Johnson, R.	Macklin	Olson, K.	Rukavina	Tompkins
Johnson, V.	Mariani	Omann	Runbeck	Trimble
Kahn	Marsh	Onnen	Sarna	Tunheim
Kalis	McEachern	Orenstein	Schafer	Uphus
Kelso	McGuire	Orfield	Schreiber	Valento
Kinkel	McPherson	Osthoff	Seaberg	Vanasek
Knickerbocker	Milbert	Ostrom	Segal	Vellenga
Koppendrayer	Morrison	Ozment	Simoneau	Wagenius
Krambeer	Munger	Pauly	Skoglund	Waltman
Krinkie	Murphy	Pellow	Smith	Weaver
Krueger	Nelson, K.	Pelowski	Solberg	Wejcman
Lasley	Nelson, S.	Peterson	Sparby	Welker
Leppik	Newinski	Pugh	Stanius	Welle
Lieder	O'Connor	Reding	Steensma	Wenzel
Limmer	Ogren	Rest	Sviggum	Winter
Lourey	Olsen, S.	Rice	Swenson	Spk. Long
Lynch	Olson, E.	Rodosovich	Thompson	

The bill was passed and its title agreed to.

S. F. No. 2298 was reported to the House.

Peterson moved that S. F. No. 2298 be continued on Special Orders. The motion prevailed.

S. F. No. 2430 was reported to the House.

Welle moved that S. F. No. 2430 be continued on Special Orders. The motion prevailed.

S. F. No. 512 was reported to the House.

Bertram moved that S. F. No. 512 be continued on Special Orders. The motion prevailed.

H. F. No. 2147 was reported to the House.

Wagenius moved that H. F. No. 2147 be continued on Special Orders. The motion prevailed.

H. F. No. 1960 was reported to the House.

Reding moved to amend H. F. No. 1960, the first engrossment, as follows:

Page 1, line 22, after "exceed" insert "the lesser of the difference

between the preretirement interest assumption and postretirement interest assumption in section 356.215, subdivision 4d, paragraph (a) or"

Page 6, line 8, delete "3.5 percent limit" and insert "limits"

Page 6, delete lines 14 to 26, and insert:

"(b) The state board of investment shall not add the transition adjustment to the Consumer Price Index based adjustment if the investment return based adjustment without the transition adjustment factored in is equal to or greater than the transition adjustment.

(c) If a transition adjustment is added to the Consumer Price Index based adjustment, an investment return based adjustment may not be paid.

(d) The transition adjustment is paragraph (a). The Consumer Price Index based adjustment is the adjustment under section 11A.18, subdivision 9, paragraph (b). The investment return based adjustment is the adjustment under section 11A.18, subdivision 9, paragraph (c)."

The motion prevailed and the amendment was adopted.

H. F. No. 1960, A bill for an act relating to retirement; changing the formula governing calculation of postretirement adjustments for certain public pension plans; amending Minnesota Statutes 1990, section 11A.18, subdivision 9.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bodahl	Dorn	Hartle	Johnson, A.
Anderson, I.	Boo	Erhardt	Hasskamp	Johnson, R.
Anderson, R.	Brown	Farrell	Haukoos	Johnson, V.
Anderson, R. H.	Carlson	Frederick	Hausman	Kahn
Battaglia	Carruthers	Frerichs	Heir	Kalis
Bauerly	Clark	Garcia	Henry	Kelso
Beard	Cooper	Girard	Hufnagle	Kinkel
Begich	Dauner	Goodno	Hugoson	Knickerbocker
Bertram	Davids	Greenfield	Janezich	Koppendrayer
Bettermann	Dawkins	Gruenes	Jaros	Krambeer
Bishop	Dempsey	Gutknecht	Jefferson	Krinkie
Blatz	Dille	Hanson	Jennings	Krueger

Lasley	Murphy	Ozment	Seaberg	Uphus
Leppik	Nelson, K.	Pauly	Segal	Valento
Lieder	Nelson, S.	Pellow	Simoneau	Vanasek
Limmer	Newinski	Pelowski	Skoglund	Vellenga
Lourey	O'Connor	Peterson	Smith	Wagenius
Lynch	Ogren	Pugh	Solberg	Waltman
Macklin	Olsen, S.	Reding	Sparby	Weaver
Mariani	Olson, E.	Rest	Stanius	Wejcman
Marsh	Olson, K.	Rice	Steensma	Welker
McEachern	Omann	Rodosovich	Sviggum	Welle
McGuire	Onnen	Rukavina	Swenson	Wenzel
McPherson	Orenstein	Runbeck	Thompson	Winter
Milbert	Orfield	Sarna	Tompkins	Spk. Long
Morrison	Osthoff	Schafer	Trimble	
Munger	Ostrom	Schreiber	Tunheim	

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

H. F. No. 2159, A bill for an act relating to local governments; reimbursing costs incurred by peace officers in defending civilian complaints; amending Minnesota Statutes 1990, section 471.44.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R.	Girard	Koppendrayer	Olson, K.	Solberg
Anderson, R. H.	Goodno	Krambeer	Omann	Sparby
Battaglia	Greenfield	Krinkie	Onnen	Stanius
Bauerly	Gruenes	Krueger	Orenstein	Steensma
Beard	Gutknecht	Lasley	Orfield	Sviggum
Begich	Hanson	Leppik	Osthoff	Swenson
Bertram	Hartle	Lieder	Ostrom	Thompson
Bettermann	Hasskamp	Limmer	Ozment	Tompkins
Bishop	Haukoos	Lourey	Pauly	Trimble
Blatz	Hausman	Lynch	Pellow	Tunheim
Bodahl	Heir	Macklin	Pelowski	Uphus
Boo	Henry	Mariani	Peterson	Valento
Brown	Hufnagle	Marsh	Pugh	Vanasek
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Welker
Davids	Jennings	Munger	Runbeck	Welle
Dawkins	Johnson, A.	Murphy	Sarna	Wenzel
Dempsey	Johnson, R.	Nelson, K.	Schafer	Spk. Long
Dorn	Johnson, V.	Nelson, S.	Schreiber	
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	
Frederick	Kelso	Ogren	Simoneau	

The bill was passed and its title agreed to.

S. F. No. 1985, A bill for an act relating to human rights; declaring a state policy of zero tolerance of violence; encouraging state agencies to act to implement the policy; proposing coding for new law in Minnesota Statutes, chapters 1 and 15.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Simoneau
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krambeer	Omann	Sparby
Bauerly	Greenfield	Krinkie	Onnen	Stanius
Beard	Gruenes	Krueger	Orenstein	Steensma
Begich	Gutknecht	Lasley	Orfield	Sviggum
Bertram	Hanson	Leppik	Osthoff	Swenson
Bettermann	Hartle	Lieder	Ostrom	Thompson
Bishop	Hasskamp	Limmer	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vanasek
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Schreiber	Winter
Erhardt	Kahn	Newinski	Seaberg	Spk. Long
Farrell	Kalis	O'Connor	Segal	

The bill was passed and its title agreed to.

S. F. No. 2257 was reported to the House.

Winter moved to amend S. F. No. 2257, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 41B.03, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY GENERALLY.] To be eligible for a program in sections 41B.01 to 41B.23:

(1) a borrower must be a resident of Minnesota or a domestic family farm corporation, as defined in section 500.24, subdivision 2;

(2) the borrower or one of the borrowers must be the principal operator of the farm or, for a prospective homestead redemption borrower, must have at one time been the principal operator of a farm; and

(3) the borrower ~~must not previously have received assistance under sections 41B.01 to 41B.23~~ may not receive more than a lifetime total of two loans from the authority, and the total amount borrowed from the authority at any one time must not exceed $100,000.

Sec. 2. Minnesota Statutes 1991 Supplement, section 41B.03, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY FOR BEGINNING FARMER LOANS.] In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan in which the authority holds an interest, must:

(1) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than $200,000 in 1991 and an amount in subsequent years determined by multiplying $200,000 by the cumulative inflation rate ~~in years subsequent to 1991~~ as determined by the United States All-Items Consumer Price Index;

(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

(5) certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes;

(6) certify that farming will be the principal occupation of the borrower;

(7) agree to participate in a farm management program approved by the commissioner of agriculture for at least the first five years of the loan, if an approved program is available within 45 miles from the borrower's residence; and

(8) agree to file an approved soil and water conservation plan with the soil conservation service office in the county where the land is located.

Sec. 3. Minnesota Statutes 1990, section 41B.039, subdivision 2, is amended to read:

Subd. 2. [STATE PARTICIPATION.] The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of ~~35~~ 45 percent of the first $100,000 in principal amount of the loan ~~or $50,000, whichever is less~~ and 35 percent of the balance of the loan, but the authority's participation must not exceed $100,000 on a single loan. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 4. Minnesota Statutes 1990, section 41B.042, subdivision 4, is amended to read:

Subd. 4. [PARTICIPATION LIMIT; INTEREST.] The authority may participate in new seller-sponsored loans to the extent of 35 percent of the principal amount of the loan or ~~$50,000~~ $100,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 5. Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL BUSINESS ENTERPRISE.] "Agricultural business enterprise" means ~~an individual or partnership with a low or moderate net worth who~~ a small business, as defined in section 645.445, subdivision 2, which owns or plans to own properties, real or personal, used or useful in connection with the general processing of agricultural products or in the manufacturing, assembly, or fabrication of agricultural or agriculture-related equipment. Agricultural business enterprise does not include an operation that involves the breeding or raising of livestock.

Sec. 6. Minnesota Statutes 1991 Supplement, section 41C.05, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY; BEGINNING FARMERS.] The authority shall provide in the agricultural development bond beginning farmer and agricultural business enterprise loan program that a mortgage or a contract on behalf of a beginning farmer may be provided if the borrower qualifies under ~~section 41B.03 and~~ authority rules and under federal tax law governing qualified small issue bonds~~.~~ and must:

(1) be a resident of Minnesota or a Minnesota partnership;

(2) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(3) have a low or moderate net worth as defined in section 41C.02, subdivision 12;

(4) certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes;

(5) certify that farming will be the principal occupation of an individual borrower or of at least one of the partners if the borrower is a partnership;

(6) agree to participate in a farm management program approved by the commissioner of agriculture for at least the first five years of the loan, if an approved program is available within 45 miles from the borrower's residence; and

(7) agree to file an approved soil and water conservation plan with the soil conservation service office in the county where the land is located.

Sec. 7. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; changing eligibility for certain loan programs of the rural finance authority; allowing greater participation in certain loans; defining certain terms; amending Minnesota Statutes 1990, sections 41B.03, subdivision 1; 41B.039, subdivision 2; and 41B.042, subdivision 4; Minnesota Statutes 1991 Supplement, sections 41B.03, subdivision 3; 41C.02, subdivision 2; and 41C.05, subdivision 2."

The motion prevailed and the amendment was adopted.

Winter, Steensma and Nelson, S., moved to amend S. F. No. 2257, as amended, as follows:

Page 3, after line 22, insert:

"Sec. 6. Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 10, is amended to read:

Subd. 10. [FARMING.] "Farming" means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing, the production of livestock, aquaculture, hydroponics, or the production of forest products~~, or other activities designated by the authority by rules~~."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2257, A bill for an act relating to agricultural development; redefining agricultural business enterprise for purposes of the Minnesota agricultural development act; amending Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 2.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Simoneau
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krambeer	Omann	Sparby
Bauerly	Greenfield	Krinkie	Onnen	Stanius
Beard	Gruenes	Krueger	Orenstein	Steensma
Begich	Gutknecht	Lasley	Orfield	Sviggum
Bertram	Hanson	Leppik	Osthoff	Swenson
Bettermann	Hartle	Lieder	Ostrom	Thompson
Bishop	Hasskamp	Limmer	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vanasek
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Schreiber	Winter
Erhardt	Kahn	Newinski	Seaberg	Spk. Long
Farrell	Kalis	O'Connor	Segal	

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

S. F. No. 2177, A bill for an act relating to juries; prohibiting exclusion from jury service based on a disability; amending Minnesota Statutes 1990, section 593.32.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Simoneau
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krambeer	Omann	Sparby
Bauerly	Greenfield	Krinkie	Onnen	Stanius
Beard	Gruenes	Krueger	Orenstein	Steensma
Begich	Gutknecht	Lasley	Orfield	Sviggum
Bertram	Hanson	Leppik	Osthoff	Swenson
Bettermann	Hartle	Lieder	Ostrom	Thompson
Bishop	Hasskamp	Limmer	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vanasek
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Schreiber	Winter
Erhardt	Kahn	Newinski	Seaberg	Spk. Long
Farrell	Kalis	O'Connor	Segal	

The bill was passed and its title agreed to.

S. F. No. 2382, A bill for an act relating to retirement; providing for surviving spouse benefits for the Minneapolis Police Relief Association and the Minneapolis Fire Department Relief Association; amending Laws 1949, chapter 406, section 6, subdivision 1, as amended; and Laws 1965, chapter 519, section 1, as amended.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Simoneau
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krambeer	Omann	Sparby
Bauerly	Greenfield	Krinkie	Onnen	Stanius
Beard	Gruenes	Krueger	Orenstein	Steensma
Begich	Gutknecht	Lasley	Orfield	Sviggum
Bertram	Hanson	Leppik	Osthoff	Swenson
Bettermann	Hartle	Lieder	Ostrom	Thompson
Bishop	Hasskamp	Limmer	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vanasek
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Schreiber	Winter
Erhardt	Kahn	Newinski	Seaberg	Spk. Long
Farrell	Kalis	O'Connor	Segal	

The bill was passed and its title agreed to.

S. F. No. 1716 was reported to the House.

Bishop moved that S. F. No. 1716 be continued on Special Orders. The motion prevailed.

H. F. No. 2601 was reported to the House.

Simoneau moved that H. F. No. 2601 be continued on Special Orders. The motion prevailed.

H. F. No. 2586 was reported to the House.

Trimble moved to amend H. F. No. 2586, the second engrossment, as follows:

Page 2, line 4, delete "Minnesota History Center,"

Page 3, line 18, delete "January 1" and insert "February 15"

Page 3, line 21, delete everything after "expires" and insert "May 15, 1993."

Page 3, delete line 22

The motion prevailed and the amendment was adopted.

H. F. No. 2586, A bill for an act providing for a study of the civic and cultural functions of downtown Saint Paul.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 115 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Frerichs	Kinkel	Ogren	Segal
Anderson, R. H.	Garcia	Knickerbocker	Olson, E.	Simoneau
Battaglia	Girard	Koppendrayer	Olson, K.	Skoglund
Bauerly	Goodno	Krambeer	Omann	Solberg
Beard	Greenfield	Krinkie	Onnen	Sparby
Begich	Gruenes	Krueger	Orenstein	Stanius
Bertram	Gutknecht	Lasley	Orfield	Steensma
Bettermann	Hanson	Leppik	Ostrom	Swenson
Bodahl	Hartle	Lieder	Ozment	Thompson
Boo	Hasskamp	Limmer	Pauly	Tompkins
Brown	Hausman	Lourey	Pellow	Trimble
Carlson	Hugoson	Mariani	Pelowski	Tunheim
Carruthers	Jacobs	McEachern	Peterson	Uphus
Clark	Janezich	McGuire	Pugh	Vanasek
Cooper	Jaros	McPherson	Reding	Vellenga
Dauner	Jefferson	Milbert	Rest	Wagenius
Davids	Jennings	Morrison	Rice	Waltman
Dawkins	Johnson, A.	Munger	Rodosovich	Weaver
Dille	Johnson, R.	Murphy	Rukavina	Wejcman
Dorn	Johnson, V.	Nelson, K.	Runbeck	Welle
Erhardt	Kahn	Nelson, S.	Sarna	Wenzel
Farrell	Kalis	Newinski	Schafer	Winter
Frederick	Kelso	O'Connor	Seaberg	Spk. Long

Those who voted in the negative were:

Abrams	Haukoos	Hufnagle	Marsh	Sviggum
Blatz	Heir	Lynch	Olsen, S.	Valento
Dempsey	Henry	Macklin	Smith	Welker

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

S. F. No. 2352, A bill for an act relating to retirement; Austin fire department relief association; authorizing an actuarial assumption change; providing various benefit increases; authorizing board member per diem payments.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Simoneau
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krambeer	Omann	Sparby
Bauerly	Greenfield	Krinkie	Onnen	Stanius
Beard	Gruenes	Krueger	Orenstein	Steensma
Begich	Gutknecht	Lasley	Orfield	Sviggum
Bertram	Hanson	Leppik	Osthoff	Swenson
Bettermann	Hartle	Lieder	Ostrom	Thompson
Bishop	Hasskamp	Limmer	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vanasek
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Schreiber	Winter
Erhardt	Kahn	Newinski	Seaberg	Spk. Long
Farrell	Kalis	O'Connor	Segal	

The bill was passed and its title agreed to.

H. F. No. 2280 was reported to the House.

Rukavina moved to amend H. F. No. 2280, the first engrossment, as follows:

Page 1, after line 17, insert:

"Sec. 2. [PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or any other law to the contrary, St. Louis county may sell and convey to Tom Schlotec by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general for a consideration that represents the fair market value of the property.

(c) The property to be sold consists of approximately 100 acres, and is described as:

(1) the SE 1/4 of the SW 1/4 and the SW 1/4 of the SE 1/4 of section 2;

(2) the N 1/2 of the N 1/2 of the NE 1/4 of the NW 1/4 of section 11; and

(3) the N 1/2 of the N 1/2 of the NW 1/4 of the NE 1/4 of section 11;

all located in township 52 N of range 17 W in St. Louis county.

(d) The county finds that the property is suitable for use as an industrial demolition landfill and recycling center and that the property would be put to better use if returned to private ownership."

Page 1, line 18, delete "2" and insert "3"

Page 1, after line 19, insert:

"Section 2 is effective on approval by the St. Louis county board and the New Independence town board and compliance with Minnesota Statutes, section 645.021."

Amend the title as follows:

Page 1, line 3, before the period insert "; authorizing the private sale of certain tax-forfeited land in St. Louis county"

The motion prevailed and the amendment was adopted.

Boo moved to amend H. F. No. 2280, the first engrossment, as amended, as follows:

Page 1, after line 17, insert:

"Sec. 2. [PRIVATE SALE OF TAX-FORFEITED LAND; SCARLETT.]

(a) Notwithstanding Minnesota Statutes, section 282.018, the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may convey by private sale the tax-forfeited land described in paragraph (c).

(b) The land described in paragraph (c) may be sold by private sale to Raymond Scarlett of 2015 Woodland Avenue, Duluth, Minnesota. The conveyance must be in a form approved by the attorney general for a consideration equal to the aggregate of delinquent taxes and assessments computed under Minnesota Statutes, section 282.251, together with any penalties, interest, and costs that accrued or would have accrued if the property had not forfeited to the state.

(c) The land that may be conveyed is located in St. Louis county, is designated as tax parcel 10-1830-330, and consists of Lot 7, Block 19, Glen Avon First Division, in the city of Duluth, Minnesota.

(d) Mr. Scarlett, by mistake, failed to pay the taxes. The county has determined that the property would be put to better use if returned to the former owner."

Page 1, line 19, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, before "authorizing" insert "relating to state lands;"

Page 1, line 3, before the period insert "authorizing the sale of tax-forfeited land in the city of Duluth"

The motion prevailed and the amendment was adopted.

Jennings moved to amend H. F. No. 2280, the first engrossment, as amended, as follows:

Page 1, after line 17, insert:

"Sec. 2. [SALE OF TAX-FORFEITED LAND.]

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

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

(c) The land that may be sold is located in the city of Lindstrom, Chisago county, and described as Lot 3, Sundbergs Beach.

(d) The county has determined that the county's land management interests would best be served if the land were sold as provided under this section."

Page 1, line 19, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, before "authorizing" insert "relating to state lands;"

Page 1, line 3, before the period insert "; authorizing the sale of certain land in Chisago county"

The motion prevailed and the amendment was adopted.

H. F. No. 2280, A bill for an act relating to state lands; authorizing a conveyance of state lands to the city of Biwabik; authorizing the private sale of certain tax-forfeited land in St. Louis county; authorizing the sale of tax-forfeited land in the city of Duluth; authorizing the sale of certain land in Chisago county.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Davids	Heir	Krueger	O'Connor
Anderson, I.	Dawkins	Henry	Lasley	Ogren
Anderson, R.	Dempsey	Hufnagle	Leppik	Olsen, S.
Anderson, R. H.	Dille	Hugoson	Lieder	Olson, E.
Battaglia	Dorn	Jacobs	Limmer	Olson, K.
Bauerly	Erhardt	Janezich	Lourey	Omann
Beard	Farrell	Jaros	Lynch	Onnen
Begich	Frederick	Jefferson	Macklin	Orenstein
Bertram	Frerichs	Jennings	Mariani	Orfield
Bettermann	Garcia	Johnson, A.	Marsh	Osthoff
Bishop	Girard	Johnson, R.	McEachern	Ostrom
Blatz	Goodno	Johnson, V.	McGuire	Ozment
Bodahl	Greenfield	Kahn	McPherson	Pauly
Boo	Gruenes	Kalis	Milbert	Pellow
Brown	Gutknecht	Kelso	Morrison	Pelowski
Carlson	Hanson	Kinkel	Munger	Peterson
Carruthers	Hartle	Knickerbocker	Murphy	Pugh
Clark	Hasskamp	Koppendrayer	Nelson, K.	Reding
Cooper	Haukoos	Krambeer	Nelson, S.	Rest
Dauner	Hausman	Krinkie	Newinski	Rice

Rodosovich	Segal	Steensma	Uphus	Wejcman
Rukavina	Simoneau	Sviggum	Valento	Welker
Runbeck	Skoglund	Swenson	Vanasek	Welle
Sarna	Smith	Thompson	Vellenga	Wenzel
Schafer	Solberg	Tompkins	Wagenius	Winter
Schreiber	Sparby	Trimble	Waltman	Spk. Long
Seaberg	Stanius	Tunheim	Weaver	

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

S. F. No. 2299, A bill for an act relating to state trails; providing for the establishment of the Blufflands Trail System; amending Minnesota Statutes 1990, section 85.015, subdivision 7.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Skoglund
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krambeer	Onnen	Stanius
Bauerly	Greenfield	Krinkie	Orenstein	Steensma
Beard	Gruenes	Krueger	Orfield	Sviggum
Begich	Gutknecht	Lasley	Osthoff	Swenson
Bertram	Hanson	Leppik	Ostrom	Thompson
Bettermann	Hartle	Lieder	Ozment	Tompkins
Bishop	Hasskamp	Limmer	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vanasek
Carlson	Hufnagle	Marsh	Reding	Vellenga
Carruthers	Hugoson	McEachern	Rest	Wagenius
Clark	Jacobs	McGuire	Rice	Waltman
Cooper	Janezich	McPherson	Rodosovich	Weaver
Dauner	Jaros	Milbert	Rukavina	Wejcman
Davids	Jefferson	Morrison	Runbeck	Welker
Dawkins	Jennings	Munger	Sarna	Welle
Dempsey	Johnson, A.	Murphy	Schafer	Wenzel
Dille	Johnson, R.	Nelson, K.	Schreiber	Winter
Dorn	Johnson, V.	Nelson, S.	Seaberg	Spk. Long
Erhardt	Kahn	Newinski	Segal	
Farrell	Kalis	O'Connor	Simoneau	

Those who voted in the negative were:

Olson, K.

The bill was passed and its title agreed to.

S. F. No. 2234 was reported to the House.

Dorn moved to amend S. F. No. 2234, as follows:

Page 3, delete section 6

Page 7, line 5, before "special" insert "state government"

Page 8, delete section 19

Renumber sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2234, A bill for an act relating to occupations and professions; modifying disciplinary requirements of the board of social work; allowing the issuance of practice permits; clarifying requirements for changes in licensure level; providing penalties; amending Minnesota Statutes 1990, sections 148B.04, by adding a subdivision; 148B.15; 148B.18, subdivisions 9 and 12; 148B.21, subdivision 2, and by adding subdivisions; 148B.22, subdivision 2; 148B.27, subdivision 3; 148B.28, subdivision 2; Minnesota Statutes 1991 Supplement, sections 148B.04, subdivision 3; 148B.05, subdivision 1; 148B.07, subdivision 3; 148B.08, subdivision 1, and by adding a subdivision; and 148B.175, subdivisions 3, 4, 5, and 8; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1990, section 148B.05, subdivision 2.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Boo	Farrell	Hausman	Kahn
Anderson, I.	Brown	Frederick	Heir	Kalis
Anderson, R.	Carlson	Frerichs	Henry	Kelso
Anderson, R. H.	Carruthers	Garcia	Hufnagle	Kinkel
Battaglia	Clark	Girard	Hugoson	Knickerbocker
Bauerly	Cooper	Goodno	Jacobs	Koppendrayer
Beard	Dauner	Greenfield	Janezich	Krambeer
Begich	Davids	Gruenes	Jaros	Krinkie
Bertram	Dawkins	Gutknecht	Jefferson	Krueger
Bettermann	Dempsey	Hanson	Jennings	Lasley
Bishop	Dille	Hartle	Johnson, A.	Leppik
Blatz	Dorn	Hasskamp	Johnson, R.	Lieder
Bodahl	Erhardt	Haukoos	Johnson, V.	Limmer

Lourey	Newinski	Pellow	Segal	Uphus
Lynch	O'Connor	Pelowski	Simoneau	Valento
Macklin	Ogren	Peterson	Skoglund	Vanasek
Mariani	Olsen, S.	Pugh	Smith	Vellenga
Marsh	Olson, E.	Reding	Solberg	Wagenius
McEachern	Olson, K.	Rest	Sparby	Waltman
McGuire	Omann	Rice	Stanius	Weaver
McPherson	Onnen	Rodosovich	Steensma	Wejcman
Milbert	Orenstein	Rukavina	Sviggum	Welker
Morrison	Orfield	Runbeck	Swenson	Welle
Munger	Osthoff	Sarna	Thompson	Wenzel
Murphy	Ostrom	Schafer	Tompkins	Winter
Nelson, K.	Ozment	Schreiber	Trimble	Spk. Long
Nelson, S.	Pauly	Seaberg	Tunheim	

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

The Speaker resumed the Chair.

S. F. No. 2389 was reported to the House.

Weaver moved to amend S. F. No. 2389, as follows:

Page 6, line 21, before the period insert "within the county where the majority of the proposed game refuge exists"

Page 11, line 14, delete everything after the comma

Page 11, delete lines 15 to 17

Page 11, line 18, delete everything before "notice" and after "notice" insert "of the proposed designation"

Page 11, line 19, delete "also"

The motion prevailed and the amendment was adopted.

S. F. No. 2389, A bill for an act relating to natural resources; allowing use of alternative rulemaking procedures for certain rules of the commissioner of natural resources; regulating activities relating to stromatolites; changing definitions; modifying provisions relating to game refuges, scientific and natural areas, experimental waters, and special management waters; expanding certain authorities relating to deer licenses; exempting certain rules of the commissioner from the administrative procedure act; allowing nonmetal tags for fish nets; authorizing rulemaking; amending Minnesota Statutes 1990, sections 86A.05, subdivision 5; 97A.015, subdivisions 15 and 40; 97A.085, subdivisions 2, 3, 4, 5, 8, and by adding a subdivision; 97A.411, subdivision 3; 97A.485, subdivision 9; 97C.001; 97C.005; 97C.351; and 103G.615, subdivision 3; Minne-

sota Statutes 1991 Supplement, sections 14.29, subdivision 4; and 97A.093; and Laws 1991, chapter 259, section 25, as amended; proposing coding for new law in Minnesota Statutes, chapter 84.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Simoneau
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krambeer	Omann	Sparby
Bauerly	Greenfield	Krinkie	Onnen	Stanius
Beard	Gruenes	Krueger	Orenstein	Steensma
Begich	Gutknecht	Lasley	Orfield	Sviggum
Bertram	Hanson	Leppik	Osthoff	Swenson
Bettermann	Hartle	Lieder	Ostrom	Thompson
Bishop	Hasskamp	Limmer	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vanasek
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Schreiber	Winter
Erhardt	Kahn	Newinski	Seaberg	Spk. Long
Farrell	Kalis	O'Connor	Segal	

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

S. F. No. 2368 was reported to the House.

Pugh moved to amend S. F. No. 2368, as follows:

Page 1, after line 7, insert:

"ARTICLE 1

Collection of Personal Property by Affidavit

Section 1. Minnesota Statutes 1990, section 168A.14, is amended by adding a subdivision to read:

Subd. 1a. The department, upon receipt of an affidavit as provided in section 524.3-1201(a), an application for a new certificate of title, and any required fee, shall issue a new certificate of title in the name of the successor as owner, listing any secured party on it. The department shall mail the certificate to the successor and shall issue any secured party a notification that the security interest has been filed.

Sec. 2. Minnesota Statutes 1991 Supplement, section 524.3-1201, is amended to read:

524.3-1201 [COLLECTION OF PERSONAL PROPERTY BY AFFIDAVIT.]

(a) Thirty days after the death of a decedent, any person indebted to the decedent or having possession of tangible personal property or an instrument evidencing a debt, obligation, stock or chose in action belonging to the decedent shall make payment of the indebtedness or deliver the tangible personal property or an instrument evidencing a debt, obligation, stock or chose in action to a person claiming to be the successor of the decedent, or a county agency with a claim authorized by section 256B.15, upon being presented a certified death certificate of the decedent and an affidavit, in duplicate, made by or on behalf of the successor stating that:

(1) the value of the entire probate estate, wherever located, less liens and encumbrances, does not exceed $10,000;

(2) 30 days have elapsed since the death of the decedent;

(3) no application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction; and

(4) the claiming successor is entitled to payment or delivery of the property.

(b) A transfer agent of any security shall change the registered ownership on the books of a corporation from the decedent to the successor or successors upon the presentation of an affidavit as provided in subsection (a).

(c) The claiming successor or county agency shall disburse the proceeds collected under this section to any person with a superior claim under section 524.3-805 or 525.15.

(d) A motor vehicle registrar shall issue a new certificate of title in the name of the successor upon the presentation of an affidavit as provided in subsection (a).

ARTICLE 2

Enactment of the Uniform TOD Security Registration Act"

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2368, A bill for an act relating to probate; enacting the uniform transfer on death security registration act; providing for rights of creditors and revocation of beneficiary designation by will; proposing coding for new law in Minnesota Statutes, chapter 524.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Simoneau
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krambeer	Omann	Sparby
Bauerly	Greenfield	Krinkie	Onnen	Stanius
Beard	Gruenes	Krueger	Orenstein	Steensma
Begich	Gutknecht	Lasley	Orfield	Sviggum
Bertram	Hanson	Leppik	Osthoff	Swenson
Bettermann	Hartle	Lieder	Ostrom	Thompson
Bishop	Hasskamp	Limmer	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vanasek
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Schreiber	Winter
Erhardt	Kahn	Newinski	Seaberg	Spk. Long
Farrell	Kalis	O'Connor	Segal	

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

S. F. No. 2728 was reported to the House.

Wenzel and Bauerly moved to amend S. F. No. 2728, as follows:

Page 1, after line 21, insert:

"Subd. 3. [PUBLIC HEARING.] Not later than July 15, 1992, the commissioner of agriculture shall conduct a public hearing to determine that the minimum over-order premium milk prices established under subdivision 2 will not significantly disrupt markets for milk produced in Minnesota or processed in Minnesota and sold in Minnesota or in other states. The public hearing is exempt from provisions of chapter 14. To the extent practicable, the public hearing must determine the views of dairy producers, dairy processors, retailers, farm organizations, agricultural economists, and persons or organizations in neighboring states."

Page 1, line 22, delete "3" and insert "4"

Page 1, line 23, after "rules" insert "or emergency rules"

Page 2, after line 1, insert:

"Subd. 5. [TERMINATION OF OVER-ORDER PREMIUM PROGRAM.] If the commissioner of agriculture determines that the minimum Class I pricing provisions of subdivision 2 are or would be detrimental to the economic health of Minnesota's dairy industry and dairy producers, the commissioner shall establish a date upon which to suspend or modify the over-order premium pricing program. A suspension or modification is exempt from provisions of chapter 14, but may be implemented only after the commissioner consults with the chairs of the senate agriculture and rural development committee and the house of representatives agriculture committee."

Page 2, line 2, delete "4" and insert "6"

Page 2, line 7, after the period, insert "The report must also include a summary of processor and distributor information the commissioner has analyzed to determine compliance with sections 32A.01 to 32A.09."

Page 2, line 11, delete "June 1, 1992" and insert "the day following final enactment"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

POINT OF ORDER

Abrams raised a point of order pursuant to rule 5.08 that S. F. No. 2728, as amended, be re-referred to the Committee on Governmental Operations. The Speaker ruled the point of order not well taken.

S. F. No. 2728, A bill for an act relating to agriculture; establishing a state over-order premium milk price for dairy farmers for certain milk; proposing coding for new law in Minnesota Statutes, chapter 32A.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 113 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Frederick	Kalis	Olson, K.	Solberg
Anderson, R.	Frerichs	Kelso	Omann	Sparby
Anderson, R. H.	Garcia	Kinkel	Onnen	Steensma
Battaglia	Girard	Koppendrayer	Orenstein	Sviggum
Bauerly	Goodno	Krambeer	Orfield	Swenson
Beard	Greenfield	Krueger	Osthoff	Thompson
Begich	Gruenes	Lasley	Ostrom	Tompkins
Bertram	Gutknecht	Lieder	Ozment	Trimble
Bettermann	Hanson	Limmer	Pellow	Tunheim
Bishop	Hartle	Lourey	Pelowski	Uphus
Bodahl	Hasskamp	Mariani	Peterson	Valento
Boo	Haukoos	Marsh	Reding	Vanasek
Brown	Hausman	McEachern	Rest	Vellenga
Carlson	Heir	McGuire	Rice	Wagenius
Carruthers	Hugoson	McPherson	Rodosovich	Waltman
Clark	Jacobs	Munger	Rukavina	Weaver
Cooper	Janezich	Murphy	Runbeck	Wejcman
Dauner	Jaros	Nelson, K.	Sarna	Welle
Davids	Jefferson	Nelson, S.	Schafer	Wenzel
Dawkins	Jennings	Newinski	Schreiber	Winter
Dille	Johnson, A.	O'Connor	Seaberg	Spk. Long
Dorn	Johnson, R.	Ogren	Skoglund	
Farrell	Johnson, V.	Olson, E.	Smith	

Those who voted in the negative were:

Abrams	Henry	Leppik	Pauly	Welker
Blatz	Hufnagle	Lynch	Segal	
Dempsey	Knickerbocker	Morrison	Simoneau	
Erhardt	Krinkie	Olsen, S.	Stanius	

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

There being no objection, S. F. No. 2430 which was continued earlier today was again reported to the House.

Krueger moved to amend S. F. No. 2430, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 115C.02, is amended by adding a subdivision to read:

Subd. 5a. [CONSULTANT.] "Consultant" means an individual, partnership, association, private corporation, or any other legal entity that provides consulting services. Consulting services include the rendering of professional opinion, advice, or analysis regarding a release.

Sec. 2. Minnesota Statutes 1990, section 115C.02, is amended by adding a subdivision to read:

Subd. 5b. [CONTRACTOR.] "Contractor" means an individual, partnership, association, private corporation, or any other legal entity that provides contractor services. Contractor services means products and services within a scope of work that can be defined by typical written plans and specifications including, but not limited to, excavation, treatment of contaminated soil and groundwater, soil borings and well installations, laboratory analysis, surveying, electrical, plumbing, carpentry, and equipment.

Sec. 3. Minnesota Statutes 1990, section 115C.03, is amended by adding a subdivision to read:

Subd. 10. [RETENTION OF RECORDS.] A person who applies for reimbursement under this chapter and a contractor or consultant who has billed the applicant for services that are part of the claim for reimbursement must maintain all records related to the claim for reimbursement for a minimum of five years from the date the claim for reimbursement is submitted to the board.

Sec. 4. [115C.045] [KICKBACKS.]

A consultant or contractor, as a condition of performing services, may not agree to pay or forgive the nonreimbursable portion of an application for reimbursement submitted under this chapter. An applicant may not accept forgiveness or demand payment from a consultant or contractor for the nonreimbursable portion of an application for reimbursement submitted under this chapter.

Sec. 5. [115C.065] [CONSULTANT'S OR CONTRACTOR'S DUTY TO NOTIFY.]

A consultant or contractor involved in the removal of a petroleum tank shall immediately notify the agency if field instruments or laboratory tests indicate the presence of any petroleum contamination in excess of state guidelines.

Sec. 6. Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 5, is amended to read:

Subd. 5. [RETURN OF REIMBURSEMENT.] (a) The board may demand the complete or partial return of any reimbursement made under this section if the applicant for reimbursement:

(1) misrepresents or omits a fact relevant to a determination made by the board or the commissioner under this section;

(2) fails to complete corrective action that the commissioner determined at the time of the reimbursement to be necessary to adequately address the release, unless the reimbursement was made under subdivision 3a; ~~or~~

(3) fails to reimburse a person for agreed-to amounts for corrective actions taken in response to a request by the applicant; or

(4) has entered an agreement to settle or compromise any portion of the incurred costs, prorated in the amount of the settlement or compromise.

(b) If a reimbursement under this subdivision is not returned upon demand by the board, the board may recover the reimbursement, with administrative and legal expenses, in a civil action in district court brought by the attorney general against the applicant. If the board's demand for return of the reimbursement is based on willful actions of the applicant, the applicant shall also forfeit and pay to the state a civil penalty, in an amount to be determined by the court, of not more than the full amount of the reimbursement.

Sec. 7. Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 7, is amended to read:

Subd. 7. [DUTY TO PROVIDE INFORMATION.] (a) A person who submits an application to the board for reimbursement, or who has issued invoices or other demands for payment which are the basis of an application, shall furnish to the board copies of any financial records which the board requests and which are relevant to determining the validity of the costs listed in the application, or shall make the financial records reasonably available to the board for inspection and auditing. The board may obtain access to information

required to be made available under this subdivision in the manner provided in section 115C.03, subdivision 7.

(b) After reimbursement has been granted, an agreement to settle or compromise any portion of the incurred costs shall be reported to the board by the parties to the agreement.

Sec. 8. [115C.11] [CONSULTANTS AND CONTRACTORS; SANCTIONS.]

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

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

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

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

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

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

Subd. 2. [DISQUALIFICATION.] (a) The board must automatically remove from the registration list for five years a consultant or contractor who is convicted in a criminal proceeding for submitting false or fraudulent bills that are part of a claim for reimbursement under section 115C.09. The board may, in addition, impose one or more of the sanctions in paragraph (c).

(b) The board may impose any of the sanctions set forth in paragraph (c) based on any of the following reasons:

(1) engaging in conduct that departs from or fails to conform to the minimal standards of acceptable and prevailing engineering, hydrogeological, or other technical practices within the reasonable control of the consultant or contractor;

(2) participating in a kickback scheme as prohibited by section 115C.045;

(3) engaging in conduct likely to deceive, defraud, or demonstrate a willful or careless disregard for public health or the environment;

(4) commission of fraud, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, or obstruction of justice; or

(5) revocation, suspension, restriction, limitation, or other disciplinary action against the contractor's or consultant's license or certification in another state or jurisdiction.

(c) The board may impose one or more of the following sanctions:

(1) remove a consultant or contractor from the registration list for up to five years;

(2) publicly reprimand or censure the consultant or contractor;

(3) place the consultant or contractor on probation for a period and upon terms and conditions the board prescribes;

(4) require payment of all costs of proceedings resulting in an action instituted under this paragraph; or

(5) impose a civil penalty of not more that $10,000, in an amount that the board determines will deprive the consultant or contractor of any economic advantage gained by reason of the consultant's or contractor's conduct or to reimburse the board for the cost of the investigation and proceeding.

(d) In deciding whether a particular sanction is appropriate, the board must consider the seriousness of the consultant's or contractor's acts or omissions and any mitigating factors.

(e) Civil penalties recovered by the state under this section must be credited to the account.

Subd. 3. [NOTICE OF SANCTION.] The board must notify any consultant or contractor of a proposed sanction pursuant to an investigation by the board. Notification must be made at least 30 days before the board meeting at which the proposed sanction will be considered. The notice must advise the consultant or contractor of:

(1) the fact that sanctions are being considered;

(2) the reasons for the proposed sanction in terms sufficient to put the consultant or contractor on notice of the conduct on which the proposed sanction is based;

(3) the reasons relied on under subdivision 2 for the proposed sanction;

(4) the right to request a contested case hearing under chapter 14; and

(5) the potential effect of sanctions.

Subd. 4. [EFFECTIVE DATES.] The board's order of sanction is final. The board may impose a sanction after a hearing before the board if a contested case hearing has not been requested. The sanction is effective 30 days after the board's order.

Sec. 9. Minnesota Statutes 1990, section 116.48, is amended by adding a subdivision to read:

Subd. 8. [NOTICE OF TANK INSTALLATION OR REMOVAL.] Before beginning installation or removal of an underground tank system, owners and operators must notify the commissioner. Notification must be in writing or by telephone at least ten days before the tank installation or removal. Owners and operators must renotify the commissioner if the date of the tank installation or removal changes by more than 48 hours. The notification must include the following information:

(1) the name, address, and telephone number of the site owner;

(2) the location of the site, if different from clause (1);

(3) the date of the tank installation or removal; and

(4) the name of the contractor or company that will install or remove the tank."

Delete the title and insert:

"A bill for an act relating to the environment; adding sanctions and procedures relating to petroleum tank release consultants and contractors; amending Minnesota Statutes 1990, sections 115C.02, by adding subdivisions; 115C.03, by adding a subdivision; 116.48, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 115C.09, subdivisions 5 and 7; proposing coding for new law in Minnesota Statutes, chapter 115C."

The motion prevailed and the amendment was adopted.

Pellow and Jennings moved to amend S. F. No. 2430, as amended, as follows:

Page 6, after line 26, insert:

"The commissioners of pollution control agency and commerce must report to the appropriate committees of the legislature by January 15, 1993 on the utilization of money paid out by the Petro Fund. The report shall include reasonable charges on site clean up, including fees paid to consultants, contractors, and disposal facilities."

The motion prevailed and the amendment was adopted.

S. F. No. 2430, A bill for an act relating to the environment; adding sanctions and procedures relating to petroleum tank release consultants and contractors; amending Minnesota Statutes 1990, sections 115C.02, by adding subdivisions; 115C.03, by adding a subdivision; 116.48, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 115C.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Davids	Heir	Krueger	O'Connor
Anderson, I.	Dawkins	Henry	Lasley	Ogren
Anderson, R.	Dempsey	Hufnagle	Leppik	Olsen, S.
Anderson, R. H.	Dille	Hugoson	Lieder	Olson, E.
Battaglia	Dorn	Jacobs	Limmer	Olson, K.
Bauerly	Erhardt	Janezich	Lourey	Omann
Beard	Farrell	Jaros	Lynch	Onnen
Begich	Frederick	Jefferson	Macklin	Orenstein
Bertram	Frerichs	Jennings	Mariani	Orfield
Bettermann	Garcia	Johnson, A.	Marsh	Osthoff
Bishop	Girard	Johnson, R.	McEachern	Ostrom
Blatz	Goodno	Johnson, V.	McGuire	Ozment
Bodahl	Greenfield	Kahn	McPherson	Pauly
Boo	Gruenes	Kalis	Milbert	Pellow
Brown	Gutknecht	Kelso	Morrison	Pelowski
Carlson	Hanson	Kinkel	Munger	Peterson
Carruthers	Hartle	Knickerbocker	Murphy	Pugh
Clark	Hasskamp	Koppendrayer	Nelson, K.	Reding
Cooper	Haukoos	Krambeer	Nelson, S.	Rest
Dauner	Hausman	Krinkie	Newinski	Rice

Rodosovich	Segal	Steensma	Uphus	Wejcman
Rukavina	Simoneau	Sviggum	Valento	Welker
Runbeck	Skoglund	Swenson	Vanasek	Welle
Sarna	Smith	Thompson	Vellenga	Wenzel
Schafer	Solberg	Tompkins	Wagenius	Winter
Schreiber	Sparby	Trimble	Waltman	Spk. Long
Seaberg	Stanius	Tunheim	Weaver	

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

There being no objection the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2121, A bill for an act relating to education; providing for general education and related revenue, transportation, special programs, other aids, levies, and programs; appropriating money; amending Minnesota Statutes 1990, sections 120.101, subdivision 5; 120.102, subdivision 1; 120.17, subdivisions 3a, 8a, 12, 14, 16, and by adding subdivisions; 121.148, subdivision 3; 121.11, by adding a subdivision; 121.16, subdivision 1; 121.935, by adding subdivisions; 122.22, by adding a subdivision; 122.23, subdivisions 13, 16, and by adding a subdivision; 122.247, subdivision 1; 122.531, subdivisions 1a, 2, 2a, 2b, and 2c; 122.532, subdivision 2; 123.35, by adding a subdivision; 123.3514, subdivisions 6, as amended, as reenacted, 6b, as amended, as reenacted, and by adding a subdivision; 123.39, subdivision 8d; 123.58, by adding a subdivision; 123.744, as amended, as reenacted; 124.243, subdivision 2, and by adding a subdivision; 124.2725, subdivision 13; 124.331, subdivisions 1 and 3; 124.431, by adding a subdivision; 124.493, subdivision 1; 124.494, subdivisions 2, 4, and 5; 124.73, subdivision 1; 124.83, subdivisions 2, 6, and by adding subdivisions; 124.85, subdivision 4; 124A.22, subdivision 2a, and by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2, and by adding a subdivision; 124C.07; 124C.08, subdivision 2; 124C.09; 124C.61; 125.05, subdivisions 1, 7, and by adding subdivisions; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 126.12, subdivision 2; 126.22, by adding a subdivision; 127.46; 128A.09, subdivision 2, and by adding a subdivision; 128C.01, subdivision 4; 128C.02, by adding a subdivision; 134.34, subdivision 1, and by adding a subdivision; 136C.69, subdivision 3; 136D.75; 182.666, subdivision 6; 275.125, subdivision 10, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 120.062, subdivision 8a; 120.064, subdivision 4; 120.17, subdivisions 3b, 7a, and 11a; 120.181; 121.585, subdivision 3; 121.831; 121.904, subdivisions 4a and 4e; 121.912, subdivision 6;

121.932, subdivisions 2 and 5; 121.935, subdivisions 1 and 6; 122.22, subdivision 9; 122.23, subdivision 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.531, subdivision 4a; 123.3514, subdivisions 4 and 11; 123.702, subdivisions 1, 1a, and 1b; 124.155, subdivision 2; 124.19, subdivisions 1, 1b, and 7; 124.195, subdivision 2; 124.214, subdivisions 2 and 3; 124.2601, subdivision 6; 124.2721, subdivision 3b; 124.2727, subdivision 6, and by adding subdivisions; 124.479; 124.493, subdivision 3; 124.646, subdivision 4; 124.83, subdivision 1; 124.95, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 124A.03, subdivisions 1c, 2, 2a, and by adding a subdivision; 124A.23, subdivisions 1 and 4; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 125.185, subdivisions 4 and 4a; 125.62, subdivision 6; 126.70; 135A.03, subdivision 3a; 136D.22, subdivision 3; 136D.71, subdivision 2; 136D.76, subdivision 2; 136D.82, subdivision 3; 245A.03, subdivision 2; 275.065, subdivision 1; 275.125, subdivisions 6j and 11g; 364.09; and 373.42, subdivision 2; Laws 1990, chapter 366, section 1, subdivision 2; Laws 1991, chapter 265, articles 3, section 39, subdivision 16; 4, section 30, subdivision 11; 5, sections 18, 23, and 24, subdivision 4; 6, sections 64, subdivision 6, 67, subdivision 3, and 68; 7, sections 37, subdivision 6, 41, subdivision 4, and 44; 8, sections 14 and 19, subdivision 6; and 9, sections 75 and 76; proposing coding for new law in Minnesota Statutes, chapters 123; 124; 124C; and 135A; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 122.23, subdivisions 16a and 16b; 124.274; 125.03, subdivision 5; 128A.022, subdivision 5; 134.34, subdivision 2; 136D.74, subdivision 3; 136D.76, and subdivision 3; Minnesota Statutes 1991 Supplement, sections 121.935, subdivisions 7 and 8; 123.35, subdivision 19; 124.2721, subdivisions 5a and 5b; 124.2727, subdivisions 1, 2, 3, 4, and 5; and 136D.90, subdivision 2; Laws 1990, chapters 562, article 12; 604, article 8, section 12; and 610, article 1, section 7, subdivision 4; and Laws 1991, chapter 265, article 9, section 73.

The Senate has appointed as such committee:

Messrs. Dicklich, Dahl and DeCramer; Ms. Pappas and Mr. Laidig.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2608, A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; proposing coding for new law in Minnesota Statutes, chapter 325G.

The Senate has appointed as such committee:

Messrs. Solon, Metzen and Larson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1114, A bill for an act relating to state government; providing for gender balance in multimember agencies; amending Minnesota Statutes 1990, section 15.0597, by adding subdivisions.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kahn moved that the House concur in the Senate amendments to H. F. No. 1114 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1114, A bill for an act relating to state government; providing for gender balance in multimember agencies; amending Minnesota Statutes 1990, section 15.0597, by adding subdivisions.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 87 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Jaros	McGuire	Peterson
Anderson, I.	Dawkins	Jefferson	Milbert	Pugh
Anderson, R.	Dorn	Johnson, A.	Munger	Reding
Battaglia	Erhardt	Johnson, R.	Murphy	Rest
Bauerly	Farrell	Kahn	Nelson, K.	Rice
Beard	Garcia	Kelso	Newinski	Rodosovich
Begich	Goodno	Kinkel	O'Connor	Rukavina
Bertram	Greenfield	Krambeer	Ogren	Runbeck
Bodahl	Gruenes	Krueger	Olsen, S.	Sarna
Boo	Hanson	Lasley	Olson, E.	Segal
Brown	Hartle	Leppik	Olson, K.	Simoneau
Carlson	Hasskamp	Lieder	Orenstein	Skoglund
Carruthers	Hausman	Lourey	Orfield	Solberg
Clark	Jacobs	Mariani	Osthoff	Sparby
Cooper	Janezich	McEachern	Ozment	Stanius

Tompkins	Uphus	Wagenius	Wenzel
Trimble	Vanasek	Wejcman	Winter
Tunheim	Vellenga	Welle	Spk. Long

Those who voted in the negative were:

Anderson, R. H.	Gutknecht	Koppendrayer	Omann	Smith
Bettermann	Haukoos	Krinkie	Onnen	Sviggum
Blatz	Heir	Limmer	Ostrom	Swenson
Davids	Henry	Lynch	Pauly	Thompson
Dempsey	Hufnagle	Macklin	Pellow	Valento
Dille	Hugoson	Marsh	Pelowski	Waltman
Frederick	Johnson, V.	McPherson	Schafer	Weaver
Frerichs	Kalis	Morrison	Schreiber	Welker
Girard	Knickerbocker	Nelson, S.	Seaberg	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2694, A bill for an act relating to public administration; providing for the organization, operation, and administration of programs relating to state government, higher education, infrastructure and regulatory agencies, environment and natural resources, and human resources; making grants; imposing conditions; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 1990, sections 3.736, subdivision 8; 5.14; 10A.31, subdivision 4; 15.0597, subdivision 4; 16A.45, by adding a subdivision; 16A.48, subdivision 1; 16B.85, subdivision 5; 17.03, by adding a subdivision; 18B.26, subdivision 3; 44A.0311; 60A.1701, subdivision 5; 69.031, subdivision 5; 72B.04, subdivision 10; 80A.28, subdivision 2; 82.21, subdivision 1; 82B.09, subdivision 1; 85.015, subdivision 7; 85A.04, subdivision 1; 89.035; 89.37, by adding a subdivision; 116J.9673, subdivision 4; 116P.11; 136A.121, by adding a subdivision; 136A.1354, subdivision 4; 136A.29, subdivision 9; 136C.04, by adding a subdivision; 136C.05, subdivision 5; 138.56, by adding a subdivision; 141.21, by adding a subdivision; 144.122; 144.123, subdivision 2; 144A.071, subdivision 2; 144A.073, subdivisions 3a and 5; 147.02, by adding a subdivision; 169.01, subdivision 55; 169.965, by adding a subdivision; 202A.19, subdivision 3; 204B.11, subdivision 1; 204B.27, subdivision 2; 204D.11, subdivisions 1 and 2; 237.701, subdivision 1; 240.14, subdivision 3; 245A.02, by adding a subdivision; 245A.13, subdivision 4; 252.025, subdivision 4; 254A.03, subdivision 2; 256.12, by adding a subdivision; 256.81; 256.9655; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.035; 256B.056, subdivisions 1a, 5, and by adding a subdivision; 256B.057, by adding a subdivision; 256B.0625, subdivision 9, and by adding subdivisions; 256B.064, by adding a subdivision; 256B.092, by adding a subdivision; 256B.14, subdivi-

sion 2; 256B.19, by adding a subdivision; 256B.36; 256B.41, subdivisions 1 and 2; 256B.421, subdivision 1; 256B.431, subdivisions 2i, 4, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.433, subdivisions 1, 2, and 3; 256B.48, subdivisions 1b, 3, and by adding a subdivision; 256B.495, subdivisions 1, 2, and by adding subdivisions; 256B.501, subdivision 3c, and by adding subdivisions; 256D.02, subdivision 8, and by adding subdivisions; 256D.03, by adding a subdivision; 256D.06, subdivision 5, and by adding a subdivision; 256D.35, subdivision 11; 256E.05, by adding a subdivision; 256E.14; 256H.01, subdivision 9, and by adding a subdivision; 256H.10, subdivision 1; 256I.01; 256I.02; 256I.03, subdivisions 2 and 3; 256I.04, as amended; 256I.05, subdivisions 1, 3, 6, 8, 9, and by adding a subdivision; 256I.06; 257.67, subdivision 3; 270.063; 270.71; 298.221; 299E.01, subdivision 1; 340A.301, subdivision 6; 340A.302, subdivision 3; 340A.315, subdivision 1; 340A.317, subdivision 2; 340A.408, subdivision 4; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.39; 345.42, subdivision 3; 352.04, subdivisions 2 and 3; 353.27, subdivision 13; 353.65, subdivision 7; 356.65, subdivision 1; 357.021, subdivision 1a; 357.022; 357.18, by adding a subdivision; 359.01, subdivision 3; 363.071, by adding a subdivision; 363.14, subdivision 3; 375.055, subdivision 1; 466.06; 490.123, by adding a subdivision; 514.67; 518.14; 518.171, subdivisions 1, 3, 4, and 6; 518.175, subdivisions 1 and 3; 518.54, subdivision 4; 518.551, subdivisions 1, 7, 10, and by adding a subdivision; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 518.619, by adding a subdivision; 548.091, subdivision 1a; 588.20; 609.131, by adding a subdivision; 609.375, subdivisions 1 and 2; 609.5315, by adding a subdivision; 611.27, by adding subdivisions; and 626.861, subdivision 3; Minnesota Statutes 1991 Supplement, sections 16A.45, subdivision 1; 16A.723, subdivision 2; 17.63; 28A.08; 41A.09, subdivision 3; 43A.316, subdivision 9; 60A.14, subdivision 1; 84.0855; 89.37, subdivision 4; 121.936, subdivision 1; 135A.03, subdivisions 1a, 3a, and 7; 136A.121, subdivisions 2 and 6; 136A.1353, subdivision 4; 144.50, subdivision 6; 144A.071, subdivisions 3 and 3a; 144A.31, subdivision 2a; 148.91, subdivision 3; 148.921, subdivision 2; 148.925, subdivisions 1, 2, and by adding a subdivision; 168.129, subdivisions 1 and 2; 214.101, subdivision 1; 240.13, subdivisions 5 and 6; 240.15, subdivision 6; 240.18, by adding a subdivision; 245A.03, subdivision 2; 252.28, subdivision 1; 252.46, subdivision 3; 252.50, subdivision 2; 254B.04, subdivision 1; 256.031, subdivision 3; 256.033, subdivisions 1, 2, 3, and 5; 256.034, subdivision 3; 256.035, subdivision 1; 256.0361, subdivision 2; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 2, 20, 21, and by adding a subdivision; 256.9751, subdivisions 1 and 6; 256.98, subdivision 8; 256B.0625, subdivision 13; 256B.0627, subdivision 5; 256B.064, subdivision 2; 256B.0911, subdivisions 3, 8, and by adding a subdivision; 256B.0913, subdivisions 4, 5, 8, 11, 12, and 14; 256B.0915, subdivision 3, and by adding subdivisions; 256B.0917, subdivisions 2, 3, 4, 5, 6, 7, 8, and 11; 256B.092, subdivision 4; 256B.431, subdivisions 2l and 3f; 256B.49, subdivision 4; 256B.74, subdivisions 1 and 3; 256D.03, subdivision 4; 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 256D.10;

256D.101, subdivision 3; 256H.03, subdivisions 4 and 6; 256H.05, subdivision 1b, and by adding a subdivision; 256I.05, subdivisions 1a, 1b, and 10; 268.914, subdivision 2; 340A.311; 340A.316; 340A.504, subdivision 3; 349A.10, subdivision 3; 357.021, subdivision 2; 508.82; 508A.82; 518.551, subdivisions 5 and 12; 518.64, subdivisions 1, 2, and 5; 611.27, subdivision 7; and 626.861, subdivisions 1 and 4; Laws 1991, chapters 233, sections 2, subdivision 2; and 3; 254, article 1, sections 7, subdivision 5; and 14, subdivision 19; and 356, articles 1, section 5, subdivision 4; 2, section 6, subdivision 3; and 6, section 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 4A; 16A; 16B; 44A; 84; 136C; 137; 144; 144A; 241; 244; 245; 246; 252; 256; 256B; 256D; 256I; 290; and 518; repealing Minnesota Statutes 1990, sections 41A.051; 84.0885; 84A.51, subdivisions 3 and 4; 89.036; 136A.143; 136C.13, subdivision 2; 141.21, subdivision 2; 144A.15, subdivision 6; 211A.04, subdivision 2; 245.0311; 245.0312; 246.14; 253B.14; 256B.056, subdivision 3a; 256B.495, subdivision 3; 256I.05, subdivision 7; 270.185; and 609.37; Minnesota Statutes 1991 Supplement, sections 97A.485, subdivision 1a; 136E.01; 136E.02; 136E.03; 136E.04; 136E.05; 256.9657, subdivision 5; 256.969, subdivision 7; 256B.74, subdivisions 8 and 9; and 256I.05, subdivision 7a; Laws 1991, chapter 292, article 4, section 77.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kahn moved that the House refuse to concur in the Senate amendments to H. F. No. 2694, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2940, A bill for an act relating to the financing and operation of government in Minnesota; changing the funding and payment of certain aids to local governments; modifying the administration, computation, collection, and enforcement of taxes and refunds; changing tax rates, bases, credits, exemptions, and payments; reducing the amount in the budget and cash flow reserve account; updating references to the Internal Revenue Code; changing certain bonding provisions; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, and watershed districts; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 60A.19, subdivision 6; 103B.241; 103B.335; 103F.221, subdivision 3; 124.2131, subdivision 1; 174.27; 268.672, by adding

subdivisions; 268.6751, subdivision 1; 268.676, subdivision 1; 268.677, subdivisions 1 and 2; 268.681, subdivisions 1, 2, and 3; 268.682, subdivisions 1, 2, and 3; 270.075, subdivision 1; 270A.05; 270A.07, subdivisions 1 and 2; 270A.11; 270B.01, subdivision 8; 271.06, subdivision 7; 272.115; 273.11, by adding subdivisions; 273.13, subdivision 24; 273.135, subdivision 2; 274.19, subdivision 8; 274.20, subdivisions 1, 2, and 4; 278.01, subdivision 2; 278.02; 282.01, subdivision 7; 282.012; 282.09, subdivision 1; 282.241; 282.36; 289A.25, by adding a subdivision; 289A.26, subdivisions 3, 4, 7, and 9; 289A.50, subdivision 5; 290.05, subdivision 4; 290.06, by adding a subdivision; 290.091, subdivision 6; 290.0922, subdivision 2; 290.9201, subdivision 11; 290.923, by adding a subdivision; 290A.03, subdivision 8; 290A.19; 290A.23; 297A.01, by adding a subdivision; 297A.02, by adding a subdivision; 297A.14, subdivision 1; 297A.15, subdivisions 5 and 6; 297A.25, subdivisions 11, 45, and by adding subdivisions; 297B.01, subdivision 8; 327C.01, by adding a subdivision; 327C.12; 373.40, subdivision 7; 383.06; 383B.152; 398A.06, subdivision 2; 401.02, subdivision 3; 401.05; 414.0325, by adding a subdivision; 414.033, subdivisions 2, 3, 5, and by adding a subdivision; 462A.22, subdivision 1; 469.107, subdivision 2; 469.153, subdivision 2; 469.177, subdivision 1a; 471.571, subdivision 2; 473.388, subdivision 4; 473.446, subdivision 1; 473.711, subdivision 2; 473H.10, subdivision 3; 477A.013, subdivision 5; 477A.015; 477A.12; 477A.13; 488A.20, subdivision 4; 541.07; and 641.24; Minnesota Statutes 1991 Supplement, sections 4A.02; 16A.15, subdivision 6; 16A.711, subdivision 4; 47.209; 69.021, subdivisions 5 and 6; 124A.23, subdivision 1; 256.025, subdivisions 3 and 4; 256E.05, subdivision 3; 256E.09, subdivision 6; 270A.04, subdivision 2; 270A.08, subdivision 2; 271.21, subdivision 6; 272.02, subdivision 1; 273.11, subdivision 1; 273.124, subdivisions 1, 6, 9, and 13; 273.13, subdivisions 22 and 25, as amended; 273.1398, subdivisions 5 and 7; 273.1399; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 5 and 6j; 276.04, subdivision 2; 277.17; 278.01, subdivision 1; 278.05, subdivision 6; 279.01, subdivision 1; 279.03, subdivision 1a; 281.17; 289A.20, subdivisions 1 and 4; 289A.26, subdivisions 1 and 6; 290.01, subdivisions 19 and 19a; 290.06, subdivision 23; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 8; 290.0922, subdivision 1; 290.92, subdivision 23; 290A.04, subdivision 2h; 297A.01, subdivision 3; 297A.135, subdivision 1, and by adding a subdivision; 297A.21, subdivision 4; 297A.25, subdivision 12, as amended; 375.192, subdivision 2; 423A.02, subdivision 1a; and 477A.011, subdivisions 27 and 29; Laws 1971, chapter 773, sections 1, subdivision 2, as amended; and 2, as amended; Laws 1990, chapter 604, article 6, section 11; Laws 1991, chapter 291, articles 1, section 65; 2, section 3; and 7, section 27; proposing coding for new law in Minnesota Statutes, chapters 13; 60A; 207A; 216B; 268; 275; 289A; 290A; 297; 297A; 473F; and 477A; repealing Minnesota Statutes 1990, sections 60A.15, subdivision 6; 134.342, subdivisions 2 and 4; 268.6751, subdivision 2; 289A.12, subdivision 1; 290.48, subdivision 7; 297.32, subdivision 7; and 414.031, subdivision 5; Minnesota Statutes 1991 Supplement, sec-

tions 271.04, subdivision 2; 273.124, subdivision 15; 295.367; and 477A.03, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Ogren moved that the House refuse to concur in the Senate amendments to H. F. No. 2940, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

SPECIAL ORDERS, Continued

Welle moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Welle moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Bauerly moved that the name of O'Connor be added as an author on H. F. No. 2211. The motion prevailed.

Runbeck moved that the name of McPherson be added as an author on H. F. No. 3036. The motion prevailed.

Hasskamp moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the negative on Monday, April 6, 1992, on the first Bertram et al amendment to H. F. No. 2694, as amended." The motion prevailed.

Hausman moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the negative on Monday, April 6, 1992, on the Macklin et al amendment to H. F. No. 2694, as amended." The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the following change in membership of the Conference Committee on H. F. No. 1903:

Delete the name of Rice and add the name of Kalis.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2694:

Kahn, Battaglia, Greenfield, Carlson and Rice.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2940:

Ogren; Olson, E.; Rest; Jacobs and Schreiber.

ADJOURNMENT

Welle moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, April 9, 1992. The motion prevailed.

Welle moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, April 9, 1992.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

NINETY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 9, 1992

The House of Representatives convened at 2:00 p.m. and was called to order by Dee Long, Speaker of the House.

Prayer was offered by Monsignor James D. Habiger, House Chaplain.

The roll was called and the following members were present:

Abrams	Frederick	Kelso	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Kinkel	Olson, E.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krambeer	Onnen	Stanius
Bauerly	Greenfield	Krinkie	Orenstein	Steensma
Beard	Gruenes	Krueger	Orfield	Sviggum
Begich	Gutknecht	Lasley	Osthoff	Swenson
Bertram	Hanson	Leppik	Ostrom	Thompson
Bettermann	Hartle	Lieder	Ozment	Tompkins
Bishop	Hasskamp	Limmer	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vanasek
Carlson	Hufnagle	McEachern	Reding	Vellenga
Carruthers	Hugoson	McGuire	Rest	Wagenius
Clark	Jacobs	McPherson	Rice	Waltman
Cooper	Janezich	Milbert	Rodosovich	Weaver
Dauner	Jaros	Morrison	Rukavina	Wejcman
Davids	Jefferson	Munger	Runbeck	Welker
Dawkins	Jennings	Murphy	Sarna	Welle
Dempsey	Johnson, A.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, R.	Nelson, S.	Schreiber	Winter
Dorn	Johnson, V.	Newinski	Seaberg	Spk. Long
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Ogren	Simoneau	

A quorum was present.

Marsh was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Bertram moved that further reading of the Journal be dis-

pensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 7, 1992

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

Dear Speaker Long:

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

H. F. No. 1249, relating to the city of St. Paul; providing certain economic development authority.

H. F. No. 2704, relating to state government; increasing the size of the council on Black Minnesotans and the council on Asian-Pacific Minnesotans; providing for representation of various Asian-Pacific communities on the council.

H. F. No. 2377, relating to education; authorizing recipients of a cooperative secondary facilities grant to have a temporary school board structure after they consolidate.

H. F. No. 2465, relating to veterans; clarifying the definition of "veteran;" clarifying procedures for searches of veterans' home residents' rooms or property.

H. F. No. 1969, relating to alcoholic beverages; prohibiting the city of Bloomington from prohibiting certain retail sales of alcoholic beverages.

H. F. No. 1862, relating to the city of Minneapolis; extending

authority to guarantee certain loans; eliminating community resource funding for way to grow program.

Warmest regards,

ARNE H. CARLSON
Governor

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

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1992 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	*H.F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 1992*	*Date Filed 1992*
2421		405	9:10 a.m. April 7	April 8
2117		406	9:14 a.m. April 7	April 8
	1249	407	4:57 p.m. April 7	April 8
	2704	408	1:48 p.m. April 7	April 8
	2377	409	2:50 p.m. April 7	April 8
	2465	410	2:52 p.m. April 7	April 8
	1969	411	2:54 p.m. April 7	April 8
	1862	412	2:55 p.m. April 7	April 8
1997		413	2:53 p.m. April 7	April 8
2001		414	2:57 p.m. April 7	April 8
2301		415	2:58 p.m. April 7	April 8
1671		416	2:59 p.m. April 7	April 8
2124		417	2:59 p.m. April 7	April 8

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 176, A resolution memorializing the Congress of the United States to propose an amendment to the United States Constitution, for ratification by the states, specifying that Congress and the states shall have the power to prohibit the physical desecration of the flag of the United States.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Rules and Legislative Administration without further recommendation.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1453, A bill for an act relating to wastewater treatment funding; requiring governmental subdivisions to evaluate annually their wastewater disposal system needs; establishing a program of supplemental financial assistance for the construction of municipal wastewater disposal systems; amending Minnesota Statutes 1990, section 115.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 116; and 446A.

Reported the same back with the following amendments:

Page 11, after line 11, insert:

"Sec. 5. [METROPOLITAN DISPOSAL SYSTEM RATE STRUCTURE STUDY.]

Subdivision 1. [COUNCIL CONTRACT WITH THE UNIVERSITY.] The metropolitan council shall contract with the board of regents of the University of Minnesota to conduct the study described in this section. The contract amount may not exceed $100,000. The council and the metropolitan waste control commission shall cooperate with and as requested by the university as it conducts the study. Council costs, including the contract costs incurred by the council, shall be paid for by the metropolitan waste control commission under Minnesota Statutes, section 473.164.

Subd. 2. [STUDY.] The university shall study the allocation of current costs, as defined in Minnesota Statutes, section 473.517, subdivision 1, among local government units in the metropolitan

area in order to examine the social, economic, and environmental effects resulting from (1) the allocation of current costs to communities within service areas for which the costs are attributable versus, and (2) the allocation of current costs to communities uniformly throughout the metropolitan area. The study may consider various configurations of service areas, and must consider service areas reasonably consistent with the council's geographic policy areas, as defined in the council's development and investment framework. The study must specifically address the effects of alternative cost allocation methods on the council-defined fully developed area. The study may consider effects arising from the location and placement of other infrastructure elements on the fully developed and developing areas.

Subd. 3. [REPORTS TO THE LEGISLATURE.] The council shall submit the university's study report to the legislature along with the council's and the commission's comments on the study report by January 4, 1993.

Sec. 6. Laws 1991, chapter 183, section 1, is amended to read:

Section 1. [FULLY DEVELOPED AREA; STUDY.]

The metropolitan council must conduct a study of the development patterns and needs in the council-defined fully developed area. The council must direct its staff to:

(1) examine both the development patterns and the migration patterns in the fully developed area that have occurred in the last 20 years with special attention to household composition;

(2) compare the relative public costs of redevelopment in the fully developed area with the costs of development within the council-defined developing area. This work should include, but is not limited to, transportation and transit, wastewater treatment, public safety services, housing, and education;

(3) examine the changing demographics of the fully developed area and other areas within the metropolitan region, and make projections regarding the economic and social condition of the fully developed area;

(4) examine the anticipated effects of a light rail transit system on the economic and social condition of the fully developed area; and

(5) recommend changes that would encourage the economic and social strengthening of the fully developed area.

In conducting its study, the council must use, along with other information, any available data from the 1990 census. The council must present ~~its~~ the analysis, findings, and preliminary policy options and recommendations identified by council staff to the legislature by February 15, 1994. The council must also present interim briefings to the legislature on work in progress at least annually between the effective date of this act and the completion of the study.

Sec. 7. [EFFECTIVE DATE; APPLICATION.]

Sections 5 and 6 are effective the day following final enactment and apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Amend the title as follows:

Page 1, line 6, after the semicolon insert "requiring a metropolitan disposal system rate structure study; regulating the fully developed area study;"

Page 1, line 8, after the semicolon insert "Laws 1991, chapter 183, section 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1838, A bill for an act relating to the environment; forgiving advances and loans made under a pilot litigation loan project relating to wastewater treatment.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1895, A bill for an act relating to state government; establishing an ambulance service personnel longevity award and incentive program; redirecting proceeds of a driver's license surtax; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 171.06, subdivision 2b; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.05, subdivisions 1 and 3; and 353D.06; proposing coding for new law as Minnesota Statutes, chapter 356B; repealing Minnesota Statutes 1991 Supplement, sections 353D.01, subdivisions 1a and 1b; 353D.021; 353D.031; 353D.051; and 353D.091; and Laws 1991, chapter 291, article 19, section 11.

Reported the same back with the following amendments:

Page 8, delete lines 18 to 22 and insert:

"In fiscal year 1993, the commissioner of health may expend up to $40,000 of the proceeds of the driver's license surtax for the expenses of administering the longevity award and incentive program, as well as up to $45,000 for the purpose of redesigning and consolidating the volunteer ambulance attendant reimbursement data base and the data base for the personnel longevity award and incentive program and purchase of computer equipment.

In fiscal year 1994 and beyond, reasonable and necessary expenses of administering the ambulance service longevity award and incentive program may be expended by the commissioner of health from the trust account established in section 3. Administrative expenses may not exceed three percent of the proceeds of the driver's license surtax for that year."

Page 13, delete line 13 and insert:

"Section 1 is effective January 1, 1993. Sections 2 to 8 are effective July 1, 1992."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1965, A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding a subdivision; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 84.

Reported the same back with the following amendments:

Page 1, after line 20, insert:

"Sec. 2. Minnesota Statutes 1990, section 18.317, is amended by adding a subdivision to read:

Subd. 1a. [PLACEMENT PROHIBITED.] A person may not intentionally place ecologically harmful exotic species, as defined in section 84.967, in public waters within the state."

Page 2, after line 15, insert:

"(c) A commercial harvester shall clean aquatic plant harvesting equipment of all acquatic vegetation at a suitable location before launching the equipment in another body of water."

Page 2, line 20, delete "which"

Page 2, line 21, delete "are identified" and insert "that the commissioner of natural resources identifies"

Page 2, line 24, after "be" insert "randomly" and delete everything after "inspected"

Page 2, delete lines 25 to 36

Page 3, delete lines 1 and 2 and insert "between May 1 and October 15 for a minimum of 10,000 hours by personnel authorized by the commissioner of natural resources."

Page 3, line 6, after the first comma insert "1a,"

Page 4, line 1, delete everything after "provides"

Page 4, line 2, delete "that provide"

Page 4, lines 17 to 20, strike the old language and insert "The commissioner of natural resources may adopt emergency rules restricting the introduction, propagation, use, possession, and spread of ecologically harmful exotic animals and aquatic plants in the state. The emergency rulemaking authority granted in this paragraph expires July 1, 1994."

Page 4, delete lines 25 to 28

Page 5, delete lines 15 to 18, and insert:

"$438,000 is appropriated from the water recreation account in the natural resources fund to the commissioner of natural resources for control, public awareness, law enforcement, monitoring, and research of nuisance exotic aquatic species in public waters.

Of this amount, $80,000 may be used to conduct access inspections under section 5.

Sec. 12. [EFFECTIVE DATE.]

The emergency rulemaking authority in section 8 is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "a subdivision" and insert "subdivisions"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1977, A bill for an act relating to water; requiring criteria for water deficiency declarations; prohibiting the use of groundwater for lake level maintenance; requiring review of water appropriation permits; requiring metropolitan area contingency planning for water shortages; changing water appropriation permit requirements; requiring changes to the metropolitan area water supply plan; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1990, sections 103G.101, subdivision 1; 103G.261; 103G.271, by adding subdivisions; 103G.281, subdivision 3, and by adding a subdivision; 103G.285, subdivision 1; 115.03, subdivision 1; 473.175, subdivision 1; 473.851; 473.858, by adding a subdivision; and 473.859, subdivisions 3, 4, and by adding a subdivision; Minnesota Statutes 1991 Supplement, section 473.156, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 19, insert:

"Section 1. Minnesota Statutes 1990, section 103G.005, is amended by adding a subdivision to read:

Subd. 11a. [METROPOLITAN AREA.] "Metropolitan area" means the area comprised of the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Page 3, line 12, after "all" insert "municipal"

Page 3, line 13, after "permits" insert "in the metropolitan area"

Page 3, after line 14, insert:

"(3) develop a plan for reviewing permits outside the metropolitan area on a regular basis;"

Page 3, line 15, delete "(3)" and insert "(4)"

Page 3, line 20, delete "(4)" and insert "(5)"

Page 3, line 20, delete "and implement"

Page 3, line 22, delete "(5)" and insert "(6)"

Page 4, line 1, delete "revoked" and insert "modified"

Page 4, delete section 8

Page 10, lines 19 to 28, delete the new language

Page 10, line 29, delete "(4)"

Page 10, line 32, after "the area" reinstate the stricken "; and"

Page 10, lines 33 and 34, reinstate the stricken language

Page 14, line 33, delete "commissioner of the pollution control agency and" and insert "metropolitan council,"

Page 14, line 34, after "resources" insert ", and the commissioner of agriculture"

Page 15, delete section 19

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 10, delete "appropriating money;"

Page 1, line 11, after "sections" insert "103G.005, by adding a subdivision;"

Page 1, line 13, delete everything after the semicolon

Page 1, line 14, delete everything before "115.03"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1989, A bill for an act relating to Traverse county; excusing the county from the obligation to pay certain fees to the attorney general.

Reported the same back with the following amendments:

Page 1, line 7, before "Fees" insert "The outstanding balance for"

Page 1, line 9, delete "the effective date of this"

Page 1, line 10, delete "section" and insert "January 1, 1992,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2150, A bill for an act relating to waste management; defining postconsumer material; emphasizing and clarifying waste reduction; setting requirements for use of labels on products and packages indicating recycled content; amending provisions related to designation of waste; strengthening the requirement for pricing of waste collection based on volume or weight of waste collected; requiring recycled content in and recyclability of telephone directories and requiring recycling of waste directories; requiring labeling of rechargeable batteries; requiring studies on automobile waste, construction debris, and used motor oil; and making various other amendments and additions related to solid waste management; amending Minnesota Statutes 1990, sections 16B.121; 115.071, subdivision 1; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.557, subdivision 3; 115A.63, subdivision 3; 115A.81, subdivision 2; 115A.87; 115A.93, by adding a subdivision; 115A.981; 325E.12; 325E.125, subdivision 1; and 473.844, subdivision 4; Minnesota Statutes 1991 Supplement, sections 16B.122, subdivision 2; 115A.02; 115A.15, subdivision 9; 115A.411, subdivision 1; 115A.83; 115A.9157, subdivision 5; 115A.93, subdivision 3; 115A.931; 325E.1251, subdivision 2; and 473.849; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; and 325E.

Reported the same back with the following amendments:

Page 3, delete lines 18 to 24, and insert:

"A public entity shall purchase and use degradable loose foam packing material manufactured from vegetable starches, unless the cost of the packing material is more than ten percent greater than the cost of packing material made from other"

Page 3, line 26, before "material" insert "loose foam"

Page 3, line 32, delete ", and"

Page 3, line 33, delete the new language

Page 5, line 18, after "enforced" insert "by the commissioner"

Page 5, line 22, delete "RULES" and insert "GUIDELINES"

Page 5, line 25, delete everything after "persons," and insert "shall establish guidelines for uniform collection and reporting of"

Page 5, delete line 26

Page 5, line 30, delete everything after the period

Page 5, delete lines 31 and 32

Page 5, line 33, delete everything before "all" and delete "in the"

Page 5, line 34, delete "state" and insert "shall follow the guidelines established under this subdivision"

Page 13, line 29, after "protection" insert ", including a discussion of how prices are publicly and privately subsidized and how identified costs of waste management are not reflected in the prices"

Delete page 13, line 30 to page 14, line 6, and insert:

"(2) a discussion of how the market structure for solid waste management influences prices, considering:

(i) changes in the solid waste management market structure;

(ii) the relationship between public and private involvement in the market; and

(iii) the effect on market structures of waste management laws and rules; and

(3) any recommendations for ~~regulations~~ strengthening or improving the market structure for solid waste management to ensure protection of human health and the environment, taking into account the preferred waste management practices listed in section 115A.02 and considering the experiences of other states.

(b) In preparing the report, the ~~agency~~ commissioner shall:

(1) consult with the director; the metropolitan council; local government units; solid waste collectors, transporters, and processors; owners and operators of solid waste disposal facilities; and other interested persons;

(2) consider information received under subdivision 2; and

(3) analyze information gathered and comments received relating to the most recent solid waste management policy report prepared under section 115A.411.

The commissioner shall also recommend any legislation necessary to ensure adequate and reliable information needed for preparation of the report.

(c) If an action recommended by the commissioner under paragraph (a) would significantly affect the solid waste management market structure, the commissioner shall, in consultation with the entities listed in paragraph (b), clause (1), prepare and include in the report an analysis of the potential impacts and effectiveness of the action, including impacts on:

(1) the public and private waste management sectors;

(2) future innovation and responsiveness to new approaches to solid waste management; and

(3) the costs of waste management."

Page 14, line 7, before "The" insert "(d)"

Pages 14 and 15, delete sections 26 and 27

Page 15, delete section 29

Page 17, line 31, delete "study" and insert "gather information about" and delete everything after "debris" and insert ", including"

Page 17, line 32, delete "determine"

Page 17, line 35, delete everything before "to" and insert "summarize the information and present the summary"

Page 18, after line 18, insert:

"Sec. 34. [DEGRADABLE LOOSE PACKING MATERIAL; STUDY.]

The director of the office of waste management, in consultation with the commissioner of agriculture, shall evaluate the relative economic, recycling, and waste management advantages and disadvantages of loose packing material manufactured from vegetable starches and loose packing material manufactured from petroleum products. The director shall report the findings of the evaluation, along with any legislative recommendations the director deems necessary, to the legislative commission on waste management by January 1, 1993."

Page 18, after line 25, insert:

"Section 3 is effective August 1, 1993."

Page 18, delete line 34

Page 18, line 35, delete "30" and insert "27"

Page 18, line 36, delete "33" and insert "30"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon insert "authorizing the director of the office of waste management to establish guidelines for reporting;"

Page 1, delete line 12

Page 1, line 15, after the first comma insert "degradable packing material,"

Page 1, line 18, delete everything before "amending"

Page 1, line 24, delete "325E.12;"

Page 1, line 29, delete "325E.1251, subdivision 2;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2335, A bill for an act relating to state government; department of administration; changing the government data classification of requests for proposals; modifying the encumbrance process for agency construction projects; modifying authority for building maintenance and leasing; changing requirements for certain agency purchases; amending administration of STARS; changing the date for the department of administration to report recycling goals; providing that the department may retain money from successful litigation; amending auditing requirements for noncommercial radio stations; extending the date for relocating the state printing operation; making various technical changes; amending Minnesota Statutes 1990, sections 13.37, subdivision 2; 16A.15, subdivision 3; 16B.09, by adding a subdivision; 16B.121; 16B.24, subdivisions 1, 5, and 6; 16B.31, by adding a subdivision; 16B.33, subdivision 3; 16B.40, subdivision 8; 16B.465, subdivisions 2, 3, and 6; 16B.58, subdivision 5; 129D.14, subdivisions 3, 4, and 6; Minnesota Statutes 1991 Supplement, sections 16B.19, subdivision 2b; 103B.311, subdivision 7; 115A.15, subdivision 9; and 138.94, subdivision 1; and Laws 1991, chapter 345, article 1, section 17, subdivision 4.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1

Page 3, line 7, delete "Notwithstanding paragraph (a) or (b),"

Page 3, line 10, after "work" insert "within the limits of the appropriation"

Page 5, line 15, after the period insert "The commissioner shall enforce the provisions of subdivision 9 in the state capitol building and in the state office building."

Pages 6 to 8, delete section 8

Page 16, line 54, delete "14" and insert "12" and delete "13" and insert "11"

Page 16, line 55, delete "15 to 23" and insert "13 to 21"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete everything before "modifying"

Page 1, lines 15 and 16, delete "13.37, subdivision 2;"

Page 1, lines 17 and 18, delete ", 5, and 6" and insert "and 5"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2437, A bill for an act relating to the environment; pollution control; conforming certain pollution control measures to federal Clean Air Act amendments; authorizing assessment of emission fees; changing method used for calculating emission fees; changing the definition of chlorofluorocarbons; establishing a small business air quality compliance assistance program; providing for the appointment of an ombudsman for small business air quality compliance assistance; creating a small business air quality compliance advisory council; amending Minnesota Statutes 1990, section 116.70, subdivision 3; Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Page 3, line 17, after the period insert "However, the agency shall charge a source the same amount per ton of pollutant emitted in excess of 4,000 tons per year as it charges for emissions of the pollutant below 4,000 tons per year."

Page 4, line 36, delete "an" and insert "a volatile"

Page 5, line 6, delete everything after "any" and insert "pollutant that is regulated under Minnesota Rules, chapter 7005, or for which a state primary ambient air quality standard has been adopted."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2718, A bill for an act relating to natural resources; authorizing expenditure of funds for development of waterfowl breeding grounds in Canada; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reported the same back with the following amendments:

Page 1, after line 17, insert:

"Sec. 2. [APPROPRIATION.]

There is appropriated from the game and fish fund $180,000 from the sale of waterfowl stamp sets for fiscal year 1992.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2719, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to advance state funds for the purpose of matching nonstate funds under certain conditions; amending Minnesota Statutes 1991 Supplement, section 84.085, by adding a subdivision.

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

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2800, A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, by adding a subdivision; 43A.17, subdivision 9; 43A.316, by adding subdivisions; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 9, and by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 144.581, subdivision 1, and by adding a subdivision; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; 256B.057, by adding a subdivision; 290.01, subdivision 19b; and 447.31, subdivisions 1 and 3; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A; 43A; 62A; 62E; 62J; 136A; 137; 144; 214; 256; 256B; 295; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; 62A.02, subdivisions 4 and 5; 62E.51; 62E.52; 62E.53; 62E.54; and 62E.55; Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9.

Reported the same back with the following amendments:

Delete page 1, line 34 to page 13, line 8 and insert:

"ARTICLE 1

COST CONTAINMENT

Section 1. [62J.03] [DEFINITIONS.]

Subdivision 1. [SCOPE OF DEFINITIONS.] For purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. [COMMISSION.] "Commission" or "state commission"

means the Minnesota health care commission established in section 62J.05.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 4. [GROUP PURCHASER.] "Group purchaser" means a person or organization that purchases health care services on behalf of an identified group of persons, regardless of whether the cost of coverage or services is paid for by the purchaser or by the persons receiving coverage or services, as further defined in rules adopted by the commissioner. "Group purchaser" includes, but is not limited to, health insurance companies, health maintenance organizations and other health plan companies; employee health plans offered by self-insured employers; group health coverage offered by fraternal organizations, professional associations, or other organizations; state and federal health care programs; state and local public employee health plans; workers' compensation plans; and the medical component of automobile insurance coverage.

Subd. 5. [PROVIDER.] "Provider" or "health care provider" means a person or organization other than a nursing home that provides health care or medical care services within Minnesota for a fee, as further defined in rules adopted by the commissioner.

Sec. 2. [62J.04] [CONTROLLING THE RATE OF GROWTH OF HEALTH CARE SPENDING.]

Subdivision 1. [COMPREHENSIVE BUDGET.] The commissioner of health shall set an annual target on the rate of growth of public and private spending on health care services for Minnesota residents. The target on growth must be set at a level that will slow the current rate of growth by at least ten percent per year using the spending growth rate for 1991 as a base year. This target must be achievable through good faith, cooperative efforts of health care consumers, purchasers, and providers.

Subd. 2. [DATA COLLECTION.] For purposes of setting targets under this section, the commissioner shall collect from all Minnesota health care providers data on patient revenues received during a time period specified by the commissioner. The commissioner shall also collect data on health care spending from all group purchasers of health care. All health care providers and group purchasers doing business in the state shall provide the data requested by the commissioner at the times and in the form specified by the commissioner. All data received is nonpublic, trade secret information under section 13.37. The commissioner shall establish procedures and safeguards to ensure that data provided to the Minnesota health care commission is in a form that does not identify individual patients, providers, employers, purchasers, or other individuals and

organizations, except with the permission of the affected individual or organization.

Subd. 3. [COST CONTAINMENT DUTIES.] After obtaining the advice and recommendations of the Minnesota health care commission, the commissioner shall:

(1) monitor regional and statewide progress toward reaching cost containment and health planning objectives as outlined in this article and take action to achieve compliance, to the extent authorized by the legislature;

(2) divide the state into no fewer than four regions, with one of those regions being the Minneapolis/St. Paul metropolitan statistical area, for purposes of fostering the development of regional health planning and coordination of health care delivery among regional health care systems and working to achieve spending targets;

(3) provide technical assistance to regional coordinating organizations;

(4) monitor the quality of health care throughout the state, conduct consumer satisfaction surveys, and take action as necessary to ensure an appropriate level of quality;

(5) develop uniform billing forms, uniform electronic billing procedures, and other uniform claims procedures for health care providers by January 1, 1993;

(6) undertake health planning responsibilities as provided in section 62J.15;

(7) monitor and promote the development and implementation of practice parameters;

(8) authorize, fund, or promote research and experimentation on new technologies and health care procedures;

(9) designate centers of excellence for specialized and high-cost procedures and treatment through the establishment of minimum standards and requirements for particular procedures or treatment;

(10) administer or contract for statewide consumer education and wellness programs that will improve the health of Minnesotans and increase individual responsibility relating to personal health and the delivery of health care services;

(11) administer the health care analysis unit under article 7; and

(12) undertake other activities to monitor and oversee the delivery of health care services in Minnesota with the goal of improving affordability, quality, and accessibility of health care for all Minnesotans.

Subd. 4. [CONSULTATION WITH THE COMMISSION.] Before undertaking any of the duties required under this chapter, the commissioner of health shall consult with the Minnesota health care commission and obtain the commission's advice and recommendations. If the commissioner intends to depart from the commission's recommendations, the commissioner shall inform the commission of the intended departure, provide a written explanation of the reasons for the departure, and give the commission an opportunity to comment on the intended departure. If, after receiving the commission's comment, the commissioner still intends to depart from the commission's recommendations, the commissioner shall notify each member of the legislative oversight commission of the commissioner's intent to depart from the recommendations of the Minnesota health care commission. The notice to the legislative oversight commission must be provided at least ten days before the commissioner takes final action. If emergency action is necessary that does not allow the commissioner to obtain the advice and recommendations of the Minnesota health care commission or to provide advance notice and an opportunity for comment as required in this subdivision, the commissioner shall provide a written notice and explanation to the Minnesota health care commission and the legislative oversight commission at the earliest possible time.

Subd. 5. [APPEALS.] A person or organization may appeal a decision of the commissioner through a contested case proceeding under chapter 14.

Subd. 6. [RULEMAKING.] The commissioner shall adopt rules under chapter 14 to implement this chapter, including rules to govern appeals of decisions by the Minnesota health care commission and the regional coordinating organizations.

Subd. 7. [PLAN FOR CONTROLLING GROWTH IN SPENDING.] (a) By January 15, 1993, the Minnesota health care commission shall submit to the legislature and the governor for approval a plan, with as much detail as possible, for slowing the growth in health care spending to the growth rate identified by the commission, beginning July 1, 1993. The goal of the plan shall be to reduce the growth rate of health care spending, adjusted for population changes, so that it declines by at least ten percent per year for each of the next five years. The commission shall use the rate of spending growth in 1991 as the base year for developing its plan.

(b) In developing the plan, the commission shall consider the advisability and feasibility of the following options, but is not obligated to incorporate them into the plan:

(1) methods of encouraging voluntary activities that will help keep spending within the targets;

(2) methods of consulting providers and obtaining their assistance and cooperation and safeguards that are necessary to protect providers from abrupt changes in revenues or practice requirements;

(3) data and methods that could be used to calculate regional and statewide spending targets and the various options for expressing spending targets, such as maximum percentage growth rates or actuarially adjusted average per capita rates that reflect the demographics of the state or a region of the state;

(4) methods of adjusting spending targets to account for patients who are not Minnesota residents, to reflect care provided to a person outside the person's region, and to adjust for demographic changes over time;

(5) methods that could be used to monitor compliance with the targets;

(6) criteria for exempting spending on research and experimentation on new technologies and medical practices when setting or enforcing spending targets;

(7) methods that could be used to help providers, purchasers, consumers, and communities control spending growth;

(8) methods of identifying activities of consumers, providers, or purchasers that contribute to excessive growth in spending;

(9) methods of avoiding, preventing, or recovering spending in excess of the rate of growth identified by the commission;

(10) methods of reallocating health care resources among provider groups to correct existing inequities, reward desirable provider activities, discourage undesirable activities, or improve the quality, affordability, and accessibility of health care services;

(11) methods of imposing mandatory requirements relating to the delivery of health care, such as practice standards, hospital admission protocols, 24-hour emergency care screening systems, or designated specialty providers;

(12) methods of preventing unfair health care practices that give a provider or group purchaser an unfair advantage or financial benefit or that significantly circumvent, subvert, or obstruct the goals of this chapter;

(13) methods of providing incentives through special spending allowances or other means to encourage and reward special projects to improve outcomes or quality of care; and

(14) the advisability or feasibility of a system of permanent, regional coordinating organizations to ensure community involvement in activities to improve affordability, accessibility, and quality of health care in each region.

Sec. 3. [62J.05] [MINNESOTA HEALTH CARE COMMISSION.]

Subdivision 1. [PURPOSE OF THE COMMISSION.] The Minnesota health care commission consists of health care providers, purchasers, consumers, employers, and employees. The two major functions of the commission are:

(1) to make available to the commissioner of health and the legislature recommendations and advice regarding statewide and regional targets and the rate of health care spending, and activities to work toward these targets; and

(2) to help Minnesota communities, providers, group purchasers, employers, employees, and consumers improve the affordability, quality, and accessibility of health care.

Subd. 2. [MEMBERSHIP.] (a) [NUMBER.] The Minnesota health care commission consists of 26 members, as specified in this subdivision. A member may designate a representative to act as a member of the commission in the member's absence.

(b) [HEALTH PLAN COMPANIES.] The commission includes four members representing health plan companies, including one member appointed by the Minnesota Council of Health Maintenance Organizations, one member appointed by the Insurance Federation of Minnesota, one member appointed by Blue Cross and Blue Shield of Minnesota, and one member appointed by the governor.

(c) [HEALTH CARE PROVIDERS.] The commission includes seven members representing health care providers, including one member appointed by the Minnesota Hospital Association who represents rural hospital administrators, one member appointed by the council of hospital corporations who represents urban hospital administrators, two members appointed by the Minnesota Medical Association, one of whom practices in a rural area of the state and one of whom practices in an urban area, one member appointed by the Minnesota Nurses' Association, and two members appointed by the governor to represent providers other than hospitals, physicians, and nurses.

(d) [EMPLOYERS.] The commission includes four members rep-

resenting employers, including two members appointed by the Minnesota Chamber of Commerce, including one self-insured employer and one small employer, and two members appointed by the governor.

(e) [CONSUMERS.] The commission includes five consumer members with no financial interest in the health care system, including three members appointed by the governor, one of whom must be a senior; one appointed under the rules of the senate; and one appointed under the rules of the house of representatives.

(f) [EMPLOYEE UNIONS.] The commission includes three representatives of labor unions, including two appointed by the AFL-CIO Minnesota and one appointed by the governor to represent other unions.

(g) [STATE AGENCIES.] The commission includes the commissioners of commerce, employee relations, and human services.

(h) [CHAIR.] The governor shall designate the chair of the commission from among the governor's appointees.

Subd. 3. [CONFLICTS OF INTEREST.] No member of the commission may participate or vote in commission proceedings involving an individual provider, purchaser, or patient, or a specific activity or transaction, if the commission member has a direct financial interest in the outcome of the commission's proceedings.

Subd. 4. [IMMUNITY FROM LIABILITY.] Members of the commission and persons employed by the commissioner are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter, provided the members or persons are acting in good faith.

Subd. 5. [TERMS; COMPENSATION; REMOVAL; AND VACANCIES.] The commission is governed by section 15.0575.

Subd. 6. [ADMINISTRATION.] The commissioner of health shall provide office space, equipment and supplies, and technical support to the commission.

Subd. 7. [STAFF.] The commission may hire an executive director who serves in the unclassified service. The executive director may hire employees and consultants as authorized by the commission and may prescribe their duties. The attorney general shall provide legal services to the commission.

Sec. 4. [62J.07] [LEGISLATIVE OVERSIGHT COMMISSION.]

The legislative commission on health care access reviews the activities of the commissioner of health, the state health care commission, and all other state agencies involved in the implementation and administration of this chapter, including efforts to obtain federal approval through waivers and other means. The legislative commission on health care access consists of five members of the senate appointed under the rules of the senate and five members of the house of representatives appointed under the rules of the house of representatives. The legislative commission on health care access must include three members of the majority party and two members of the minority party in each house. The commissioner of health and the Minnesota health care commission shall report on their activities and the activities of the regional coordinating organizations annually and at other times at the request of the legislative commission on health care access.

Sec. 5. [62J.09] [REGIONAL COORDINATING ORGANIZATIONS.]

Subdivision 1. [GENERAL OBJECTIVES.] The regional coordinating organizations should be locally controlled organizations consisting of health care providers, health plan companies, employers, consumers and other appropriate entities within that region. The regional coordinating organization should formulate a detailed plan for implementation within the region. The plan must, at a minimum, include the following objectives:

(1) cost containment, defined as restraining the rate of growth in health care expenditures, and activities which promote this ideal;

(2) integrated regional community health planning through the coordination of collaborative activities among health care providers which includes at least;

(a) the retrospective review of new technologies and procedures; and

(b) the establishment of a provider collaboration process for the introduction of new technologies and procedures.

(3) implementation of programming by health care providers and health care provider organizations that promotes continuous quality improvement, will improve consumer education and the health of Minnesotans, and will increase individual responsibility relating to personal health and the use of health services;

(4) a public/private partnership for the purpose of conducting data collection and research initiatives which study health outcomes and thereby improve the efficiency and effectiveness of health care delivery in Minnesota; and

(5) the undertaking of other activities with the goal of improving the affordability, quality and accessibility of health care for all Minnesotans.

The plan document must define or describe the objectives in detail, indicate clearly how each will be achieved, and allow for the unambiguous measurement of the degree to which each objective is achieved. The plan must be submitted to the commissioner, who will oversee and monitor the regional plans.

Subd. 2. [GENERAL DUTIES.] Regional coordinating organizations may:

(1) recommend that the commissioner sanction voluntary agreements between providers in the region that will improve quality, access, or affordability of health care but might constitute a violation of antitrust laws if undertaken without government direction;

(2) make recommendations to the commissioner regarding major capital expenditures or the introduction of expensive new technologies and medical practices that are being proposed or considered by providers;

(3) undertake voluntary activities to educate consumers, providers, and purchasers or to promote voluntary, cooperative community cost containment, access, or quality of care projects;

(4) make recommendations to the commissioner regarding ways of improving affordability, accessibility, and quality of health care in the region and throughout the state.

Subd. 3. [MEMBERSHIP.] (a) [NUMBER.] Each regional coordinating organization consists of 16 members as provided in this subdivision. A member may designate a representative to act as a member of the coordinating organization in the member's absence.

(b) [PROVIDER REPRESENTATIVES.] Each regional coordinating organization must include four members representing health care providers who practice in the region. One member is appointed by the Minnesota Medical Association. One member is appointed by the Minnesota Hospital Association. One member is appointed by the Minnesota Nurses' Association. The remaining member is appointed by the governor to represent providers other than physicians, hospitals, and nurses.

(c) [HEALTH PLAN COMPANY REPRESENTATIVES.] Each regional coordinating organization includes three members representing health plan companies who provide coverage for residents of the region, including one member representing health insurers who is elected by a vote of all health insurers providing coverage in the

region, one member elected by a vote of all health maintenance organizations providing coverage in the region, and one member appointed by Blue Cross and Blue Shield of Minnesota. The fourth member is appointed by the governor.

(d) [EMPLOYER REPRESENTATIVES.] Regional coordinating organizations include three members representing employers in the region. Employer representatives are elected by a vote of the employers who are members of chambers of commerce in the region. At least one member must represent self-insured employers.

(e) [EMPLOYEE UNIONS.] Regional coordinating organizations include one member appointed by the AFL-CIO Minnesota who is a union member residing or working in the region or who is a representative of a union that is active in the region.

(f) [PUBLIC MEMBERS.] Regional coordinating organizations include three consumer members with no financial interest in the health care system. One consumer member is elected by the community health boards in the region, with each community health board having one vote. One consumer member is elected by the state legislators with districts in the region. One consumer member is appointed by the governor.

(g) [COUNTY COMMISSIONER.] Regional coordinating organizations include one member who is a county board member. The county board member is elected by a vote of all of the county board members in the region, with each county board having one vote.

(h) [STATE AGENCY.] Regional coordinating organizations include one state agency commissioner appointed by the governor to represent state health coverage programs.

Subd. 4. [ESTABLISHMENT OF REGIONAL COORDINATING ORGANIZATIONS AND STRUCTURE.] The providers of health services in each region should begin formulating the appropriate structure for organizing the delivery networks or systems to accomplish the objectives in subdivision 1. Once a draft plan is outlined, or during the drafting process, other entities should be included as appropriate so as to ensure the comprehensiveness of the plan and the regional planning process. The ultimate structure of the regional coordinating organization may vary by region and in composition. Each region may consult with the commissioner and health the Minnesota care commission during the planning process.

Subd. 5. [HEALTH PLANNING COMPONENT.] Each regional plan must include a process for addressing the use and distribution of new and existing health care technologies and procedures and major capital expenditures by providers. Health care technologies and procedures include, but are not limited to, high-cost pharmaceuticals, organ and other transplants, health care procedures and

devices, and expensive, large-scale technologies such as scanners and imagers. Each regional plan shall include:

(1) the criteria that will be used for evaluating new health care technology and procedures and major capital expenditures in a manner that takes into consideration the effectiveness and value of the new technology, procedure, or capital expenditure in relation to the cost impact on consumers and payors;

(2) the review process for new health care technologies and procedures and for proposed major capital expenditures, which consider among other things effectiveness and cost and methods of assessing new technologies; and

(3) the process for provider collaboration once a decision is reached by the regional coordinating organization.

Subd. 6. [ANTI-TRUST AND CONFLICTS OF INTEREST.] The regional coordinating organization should work with the commissioner and other appropriate state agencies in order to encourage the kind of provider collaboration needed in order to achieve the objectives outlined in subdivision 1. Actions taken by providers, health plan companies or others which are not related to the objectives in subdivision 1 should not be exempt from the legal and other restrictions that apply to such actions.

Subd. 7. [TECHNICAL ASSISTANCE.] The state health care commission shall provide technical assistance to regional coordinating organizations.

Subd. 8. [TERMS; COMPENSATION; REMOVAL; AND VACANCIES.] Regional coordinating organizations are governed by section 15.0575, except that members do not receive per diem payments.

Subd. 9. [REPEALER.] This section is repealed effective July 1, 1993.

Sec. 6. [62J.15] [HEALTH PLANNING.]

Subdivision 1. [HEALTH PLANNING ADVISORY COMMITTEE.] (a) The Minnesota health care commission shall convene an advisory committee to make recommendations regarding the use and distribution of new and existing health care technologies and procedures and major capital expenditures by providers. The advisory committee may include members of the state commission and other persons appointed by the commission. The advisory committee must include at least one person representing physicians, at least one person representing hospitals, and at least one person representing the health care technology industry. Health care technologies and procedures include high-cost pharmaceuticals, organ and

other transplants, health care procedures and devices, and expensive, large-scale technologies such as scanners and imagers.

Subd. 2. [HEALTH PLANNING.] In consultation with the health planning advisory committee, the Minnesota health care commission shall:

(1) develop criteria for evaluating new health care technology and procedures and major capital expenditures that take into consideration the effectiveness and value of the new technology, procedure, or capital expenditure in relation to the cost impact on consumers and payors;

(2) recommend to the commissioner of health and the regional coordinating organizations statewide and regional goals and targets for the distribution and use of new and existing health care technologies and procedures and major capital expenditures;

(3) make recommendations to the commissioner regarding the designation of centers of excellence for transplants and other specialized medical procedures; and

(4) make recommendations to the commissioner regarding minimum volume requirements for the performance of certain procedures by hospitals and other health care facilities or providers.

Sec. 7. [62J.17] [EXPENDITURE REPORTING.]

Subdivision 1. [PURPOSE.] To ensure access to affordable health care services for all Minnesotans it is necessary to restrain the rate of growth in health care costs. An important factor contributing to escalating costs is the purchase of costly new medical equipment, major capital expenditures, and the addition of new specialized services. After spending targets are established under section 62J.04, providers, patients, and communities will have the opportunity to decide for themselves whether they can afford capital expenditures or new equipment or specialized services within the constraints of a spending limit. In this environment, the state's role in reviewing these spending commitments can be more limited. However, during the interim period until spending targets are established, it is important to prevent unrestrained major spending commitments that will contribute further to the escalation of health care costs and make future cost containment efforts more difficult. In addition, it is essential to protect against the possibility that the legislature's expression of its attempt to control health care costs may lead a provider to make major spending commitments before targets or other cost containment constraints are fully implemented because the provider recognizes that the spending commitment may not be considered appropriate, needed, or affordable within the context of a fixed budget for health care spending. Therefore, the

legislature finds that a requirement for reporting health care expenditures is necessary.

Subd. 2. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given.

(a) [CAPITAL EXPENDITURE.] "Capital expenditure" means an expenditure which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance.

(b) [HEALTH CARE SERVICE.] "Health care service" means:

(1) a service or item that would be covered by the medical assistance program under chapter 256B if provided in accordance with medical assistance requirements to an eligible medical assistance recipient; and

(2) a service or item that would be covered by medical assistance except that it is characterized as experimental, cosmetic, or voluntary.

"Health care service" does not include retail, over-the-counter sales of nonprescription drugs and other retail sales of health-related products that are not generally paid for by medical assistance and other third-party coverage.

(c) [MAJOR SPENDING COMMITMENT.] "Major spending commitment" means:

(1) acquisition of a unit of medical equipment;

(2) a capital expenditure for a single project for the purposes of providing health care services, other than for the acquisition of medical equipment;

(3) offering a new specialized service not offered before;

(4) planning for an activity that would qualify as a major spending commitment under this paragraph; or

(5) a project involving a combination of two or more of the activities in clauses (1) to (4).

The cost of acquisition of medical equipment, and the amount of a capital expenditure, is the total cost to the provider regardless of whether the cost is distributed over time through a lease arrangement or other financing or payment mechanism.

(d) [MEDICAL EQUIPMENT.] "Medical equipment" means fixed and movable equipment that is used by a provider in the provision of a health care service. "Medical equipment" includes, but is not limited to, the following:

(1) an extracorporeal shock wave lithotripter;

(2) a computerized axial tomography (CAT) scanner;

(3) a magnetic resonance imaging (MRI) unit;

(4) a positron emission tomography (PET) scanner; and

(5) emergency and nonemergency medical transportation equipment and vehicles.

(e) [NEW SPECIALIZED SERVICE.] "New specialized service" means a specialized health care procedure or treatment regimen offered by a provider that was not previously offered by the provider, including, but not limited to:

(1) cardiac catheterization services involving high-risk patients as defined in the Guidelines for Coronary Angiography established by the American Heart Association and the American College of Cardiology;

(2) heart, heart-lung, liver, kidney, bowel, or pancreas transplantation service, or any other service for transplantation of any other organ;

(3) megavoltage radiation therapy;

(4) open heart surgery;

(5) neonatal intensive care services; and

(6) any new medical technology for which premarket approval has been granted by the United States Food and Drug Administration.

(f) [PROVIDER.] "Provider" means an individual, corporation, association, firm, partnership, or other entity that is regularly engaged in providing health care services in Minnesota.

Subd. 3. [HOSPITAL AND NURSING HOME MORATORIA PRESERVED.] Nothing in this section supersedes or limits the applicability of section 144.551 or 144A.071.

Subd. 4. [EXPENDITURE REPORTING.] Any provider making a capital expenditure establishing a health care service or new spe-

cialized service, or making a major spending commitment after April 1, 1992, that is in excess of $500,000, shall submit notification of this expenditure to the commissioner and provide the commissioner with any relevant background or other information. The commissioner shall not have any approval or denial authority, but should use such information in the ongoing evaluation of statewide and regional progress toward cost containment and other objectives.

Subd. 5. [RETROSPECTIVE REVIEW.] The commissioner of health, in consultation with the Minnesota health care commission, shall retrospectively review capital expenditures and major spending commitments that are required to be reported by providers under subdivision 4. In the event that health care providers refuse to cooperate with attempts by the Minnesota health care commission and regional coordinating organizations to coordinate the use of health care technologies and procedures, and reduce the growth rate in health care expenditures, or in the event that health care providers continue to use or perform health care technologies and procedures that are clearly not cost-effective based on the results of medical research, the commissioner shall recommend that the commissioner of human services take action to eliminate the cost of new technologies, procedures, and capital expenditures from the medical assistance, general assistance medical care, and health right plan reimbursement received by the health care provider. The commissioner of human services shall reduce reimbursement under these programs to that provider upon recommendation of the commissioner of health. The commissioner of health may also cooperate with the commissioner of commerce and third party payers regulated by the commissioner of commerce, and with health maintenance organizations, to reduce reimbursement from these payers for this purpose. The commissioner may also restrict or prevent the future adoption of health care technologies and procedures, and capital expenditures, by a health care provider or group purchaser.

Sec. 8. [62J.19] [SUBMISSION OF REGIONAL PLAN TO COMMISSIONER.]

Each regional coordinating organization shall submit its plan to the commissioner on or before June 30, 1993. In the event that any major provider, provider group or other entity within the region chooses to not participate in the regional planning process, the commissioner may require the participation of that entity in the planning process or adopt other rules or criteria for that entity. In the event that a region fails to submit a plan to the commissioner that satisfactorily promotes the objectives in section 62J.09, subdivisions 1 and 2, or where competing plans and regional coordination organizations exist, the commissioner has the authority to establish a public regional coordinating organization for purposes of establishing a regional plan which will achieve the objectives. The public regional coordinating organization shall be appointed by the commissioner and under the commissioner's direction.

Sec. 9. [62J.21] [REPORTING TO THE LEGISLATURE.]

The commissioner shall report to the legislature by January 1, 1993 regarding the process being made within each region with respect to the establishment of a regional coordinating organization and the development of a regional plan. In the event that the commissioner determines that any region is not making reasonable progress or a good-faith commitment towards establishing a regional coordinating organization and regional plan, the commissioner may establish a public regional board for this purpose. The commissioner's report should also include the issues, if any, raised during the planning process to date and request any appropriate legislate action that would facilitate the planning process."

Page 13, line 9, delete "62J.19" and insert "62J.22"

Page 15, line 12, after "resident" insert "and whose federal adjusted gross income, as reported on the beneficiary's federal personal income tax form, does not exceed 250 percent of the federal poverty guidelines for family size,"

Page 16, after line 11, insert:

"Sec. 15. [62J.30] [PROVIDER AND FACILITY CHARGES.]

Subdivision 1. [ITEMIZED LIST.] A health care provider and a health care facility shall compile and make available to the public an itemized list of the usual and customary charges for each procedure or service rendered by the provider or facility.

Subd. 2. [DISCLOSURE.] A health care provider and a health care facility shall clearly and conspicuously display the following notice in boldface type of a minimum size of 24 points in the area or areas of the provider's office or facility accessible to the public:

"HEALTH CARE CONSUMER'S RIGHTS:

You have the right to request a list of our usual and customary charges for services and procedures. You also have a right to request an estimate of the cost of any service or procedure recommended for your personal care before receiving that care. Within the requirements of your coverage, you have the right to have tests and procedures conducted in a facility or laboratory of your choice. You have the right to see your medical records and a right to receive responses to your questions about your health, medical care, or medical procedures."

Subd. 3. [DEFINITION.] (a) For purposes of this section, "health care provider" means a person licensed or registered to practice a healing art under chapter 147 or 148, to practice dentistry under

chapter 150A, or to practice podiatry under chapter 153. The term does not include providers whose practice is limited to enrollees of a staff model health maintenance organization.

(b) For purposes of this section, "health care facility" means a hospital, sanitarium, or other institution for the hospitalization or care of human beings licensed pursuant to sections 144.50 to 144.56.

Subd. 4. [RULEMAKING.] The commissioner of health may adopt rules for the administration of this section.

Subd. 5. [PENALTIES AND REMEDIES.] A health care professional or health care facility who is found to have violated this section is subject to the penalties and remedies in section 8.31.

Sec. 16. Minnesota Statutes 1990, section 144.699, subdivision 2, is amended to read:

Subd. 2. [FOSTERING PRICE COMPETITION.] The commissioner of health shall:

~~(a) Encourage~~ (1) require hospitals, outpatient surgical centers, home care providers, and professionals regulated by the health related licensing boards as defined in section 214.01, subdivision 2, and by the commissioner of health under section 214.13, to publish prices for procedures and services that are representative of the diagnoses and conditions for which citizens of this state seek treatment~~.~~; and

~~(b)~~ (2) analyze and disseminate available price information and analyses so as to foster the development of price competition among hospitals, outpatient surgical centers, home care providers, and health professionals.

Sec. 17. [STUDY ON RECOVERY OF UNCOMPENSATED CARE COSTS.]

The commissioner of health shall study cost-shifting and uncompensated care costs in the health care industry. The commissioner shall recommend to the legislature by January 15, 1993, methods to recover from health care providers an amount equal to the share of uncompensated care costs shifted to other payers that are no longer incurred by the provider as uncompensated care costs, due to the availability of the health right plan."

Page 86, line 30, strike "Based on this"

Page 86, strike line 31

Page 86, line 32, strike "target"

Page 86, lines 33 to 35, delete the new language

Page 86, line 35, strike "If"

Page 86, strike line 36

Page 87, strike lines 1 to 3 and insert "The estimated expenditure shall be compared to an estimate of the revenues that will be deposited in the health care access account. Based on this comparison, and after consulting with the chairs of the house appropriations committee and the senate finance committee, and the legislative commission on health care access, the commissioner shall make adjustments as necessary to ensure that expenditures remain within the limits of available revenues. The adjustments the commissioner may use must be implemented in this order: first, upon 90 days notice, stop enrollment and coverage of individuals and families whose gross annual income exceeds 200 percent of the federal poverty guidelines; second, upon 90 days notice, decrease the premium subsidy amounts by ten percent for families and individuals with gross annual income at or below 200 percent; and third, require applicants to be uninsured for at least six months prior to eligibility in the health right plan. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner may further limit enrollment or decrease premium subsidies."

Page 93, line 11, delete "18" and insert "12"

Page 96, line 2, delete everything before "A"

Page 96, delete lines 27 to 35

Page 102, delete line 11

Page 102, line 12, delete "ASSISTANCE GRANTS.]"

Page 102, delete lines 24 to 36

Page 103, delete line 1

Pages 105 and 106, delete section 10

Page 143, delete lines 17 to 27 (Article 9), and insert:

"ARTICLE 9

Section 1. Minnesota Statutes 1990, section 60B.03, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of commerce of the state of Minnesota and, in that commissioner's absence or disability, a deputy or other person duly designated to act in that commissioner's place. ~~In the context of rehabilitation or liquidation of a health maintenance organization, "commissioner" means the commissioner of health of the state of Minnesota and, in that commissioner's absence or disability, a deputy or other person duly designated to act in that commissioner's place.~~

Sec. 2. Minnesota Statutes 1990, section 60B.15, is amended to read:

60B.15 [GROUNDS FOR REHABILITATION.]

The commissioner may apply by verified petition to the district court for Ramsey county or for the county in which the principal office of the insurer is located for an order directing the commissioner to rehabilitate a domestic insurer or an alien insurer domiciled in this state on any one or more of the following grounds:

(1) Any ground on which the commissioner may apply for an order of liquidation under section 60B.20, whenever the commissioner believes that the insurer may be successfully rehabilitated without substantial increase in the risk of loss to creditors of the insurer, its policyholders or to the public;

(2) That the commissioner has reasonable cause to believe that there has been theft from the insurer, wrongful sequestration or diversion of the insurer's assets, forgery or fraud affecting the insurer or other illegal conduct in, by or with respect to the insurer, which endanger assets in an amount threatening insolvency of the insurer;

(3) That substantial and unexplained discrepancies exist between the insurer's records and the most recent annual report or other official company reports;

(4) That the insurer, after written demand by the commissioner, has failed to remove any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employee, or other person, if the person has been found by the commissioner after notice and hearing to be dishonest or untrustworthy in a way affecting the insurer's business such as is the basis for action under section 60A.051;

(5) That control of the insurer, whether by stock ownership or otherwise, and whether direct or indirect, is in one or more persons found by the commissioner after notice and hearing to be dishonest

or untrustworthy such as is the basis for action under section 60A.051;

(6) That the insurer, after written demand by the commissioner, has failed within a reasonable period of time to terminate the employment and status and all influences on management of any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employee or other person if the person has refused to submit to lawful examination under oath by the commissioner concerning the affairs of the insurer, whether in this state or elsewhere;

(7) That after lawful written demand by the commissioner the insurer has failed to submit promptly any of its own property, books, accounts, documents, or other records, or those of any subsidiary or related company within the control of the insurer, or those of any person having executive authority in the insurer so far as they pertain to the insurer, to reasonable inspection or examination by the commissioner or an authorized representative. If the insurer is unable to submit the property, books, accounts, documents, or other records of a person having executive authority in the insurer, it shall be excused from doing so if it promptly and effectively terminates the relationship of the person to the insurer;

(8) That without first obtaining the written consent of the commissioner, or if required by law, the written consent of the attorney general, the insurer has transferred, or attempted to transfer, substantially its entire property or business, or has entered into any transaction the effect of which is to merge, consolidate, or reinsure substantially its entire property or business of any other person;

(9) That the insurer or its property has been or is the subject of an application for the appointment of a receiver, trustee, custodian, conservator or sequestrator or similar fiduciary of the insurer or its property otherwise than as authorized under sections 60B.01 to 60B.61, and that such appointment has been made or is imminent, and that such appointment might divest the courts of this state of jurisdiction or prejudice orderly delinquency proceedings under sections 60B.01 to 60B.61;

(10) That within the previous year the insurer has willfully violated its charter or articles of incorporation or its bylaws or any applicable insurance law or regulation of any state, or of the federal government, or any valid order of the commissioner under section 60B.11 in any manner or as to any matter which threatens substantial injury to the insurer, its creditors, it policyholders or the public, or having become aware within the previous year of an unintentional or willful violation has failed to take all reasonable steps to remedy the situation resulting from the violation and to prevent the same violations in the future;

(11) That the directors of the insurer are deadlocked in the management of the insurer's affairs and that the members or shareholders are unable to break the deadlock and that irreparable injury to the insurer, its creditors, its policyholders, or the public is threatened by reason thereof;

(12) That the insurer has failed to pay for 60 days after due date any obligation to this state or any political subdivision thereof or any judgment entered in this state, except that such nonpayment shall not be a ground until 60 days after any good faith effort by the insurer to contest the obligation or judgment has been terminated, whether it is before the commissioner or in the courts;

(13) That the insurer has failed to file its annual report or other report within the time allowed by law, and after written demand by the commissioner has failed to give an adequate explanation immediately;

(14) That two-thirds of the board of directors, or the holders of a majority of the shares entitled to vote, or a majority of members or policyholders of an insurer subject to control by its members or policyholders, consent to rehabilitation under sections 60B.01 to 60B.61;

(15) That the insurer is engaging in a systematic practice of reaching settlements with and obtaining releases from policyholders or third party claimants and then unreasonably delaying payment of or failing to pay the agreed upon settlements;

(16) That the insurer is in such condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors, or the public;

(17) That within the previous 12 months the insurer has systematically attempted to compromise with its creditors on the ground that it is financially unable to pay its claims in full;

(18) In the context of a health maintenance organization, "insurer" when used in clauses (1) to (17) means "health maintenance organization." In addition to the grounds in clauses (1) to (17), any one of the following constitutes grounds for rehabilitation of a health maintenance organization:

(a) the health maintenance organization is unable or is expected to be unable to meet its debts as they become due;

(b) grounds exist under section 62D.042, subdivision 7;

(c) the health maintenance organization's liabilities exceed the current value of its assets, exclusive of intangibles and, where the

guaranteeing organization's financial condition no longer meets the requirements of sections 62D.041 and 62D.042, exclusive of any deposits, letters of credit, or guarantees provided by any guaranteeing organization under chapter 62D;

(d) in addition to grounds under clause (16), within the last year the health maintenance organization has failed, and the commissioner ~~of health~~ expects such failure to continue in the future, to make comprehensive medical care adequately available and accessible to its enrollees and the health maintenance organization has not successfully implemented a plan of corrective action pursuant to section 62D.121, subdivision 7; and

(e) in addition to grounds under clause (16), within the last year the directors or officers of the health maintenance organization willfully violated the requirements of section 317A.251, or having become aware within the previous year of an unintentional or willful violation of section 317A.251, have failed to take all reasonable steps to remedy the situation resulting from the violation and to prevent the same violation in the future.

Sec. 3. Minnesota Statutes 1990, section 60B.20, is amended to read:

60B.20 [GROUNDS FOR LIQUIDATION.]

The commissioner may apply by verified petition to the district court for Ramsey county or for the county in which the principal office of the insurer is located for an order to liquidate a domestic insurer or an alien insurer domiciled in this state on any one or more of the following grounds:

(1) Any ground on which the commissioner may apply for an order of rehabilitation under section 60B.15, whenever the commissioner believes that attempts to rehabilitate the insurer would substantially increase the risk of loss to its creditors, its policyholders, or the public, or would be futile, or that rehabilitation would serve no useful purpose;

(2) That the insurer is or is about to become insolvent;

(3) That the insurer has not transacted the business for which it was organized or incorporated during the previous 12 months or has transacted only a token such business during that period, although authorized to do so throughout that period, or that more than 12 months after incorporation it has failed to become authorized to do the business for which it was organized or incorporated;

(4) That the insurer has commenced, or within the previous year has attempted to commence, voluntary dissolution or liquidation

otherwise than as provided in section 60B.04, subdivision 3 in the case of a solvent insurer;

(5) That the insurer has concealed records or assets from the commissioner or improperly removed them from the jurisdiction, or the commissioner believes that the insurer is about to do so;

(6) That the insurer does not satisfy the requirements that would be applicable if it were seeking initial authorization in this state to do the business for which it was organized or incorporated, except for:

(i) Requirements that are intended to apply only at the time the initial authorization to do business is obtained, and not thereafter; and

(ii) Requirements that are expressly made inapplicable by the laws establishing the requirements;

(7) That the holders of two-thirds of the shares entitled to vote, or two-thirds of the members or policyholders entitled to vote in an insurer controlled by its members or policyholders, have consented to a petition;

(8) In the context of a health maintenance organization, "insurer" when used in clauses (1) to (7) means "health maintenance organization." In addition to the grounds in clauses (1) to (7), any one of the following constitutes grounds for liquidation of a health maintenance organization:

(i) the health maintenance organization is unable or is expected to be unable to meet its debts as they become due;

(ii) grounds exist under section 62D.042, subdivision 7;

(iii) the health maintenance organization's liabilities exceed the current value of its assets, exclusive of intangibles and, where the guaranteeing organization's financial condition no longer meets the requirements of sections 62D.041 and 62D.042, exclusive of any deposits, letters of credit, or guarantees provided by any guaranteeing organization under chapter 62D;

(iv) within the last year the health maintenance organization has failed, and the commissioner ~~of health~~ expects failure to continue in the future, to make comprehensive medical care adequately available and accessible to its enrollees and the health maintenance organization has not successfully implemented a plan of corrective action pursuant to section 62D.121, subdivision 7; and

(v) within the last year the directors or officers of the health

maintenance organization willfully violated the requirements of section 317A.251, or having become aware within the previous year of an unintentional or willful violation of section 317A.251, have failed to take all reasonable steps to remedy the situation resulting from the violation and to prevent the same violation in the future.

Sec. 4. Minnesota Statutes 1990, section 62D.01, subdivision 2, is amended to read:

Subd. 2. (a) Faced with the continuation of mounting costs of health care coupled with its inaccessibility to large segments of the population, the legislature has determined that there is a need to explore alternative methods for the delivery of health care services, with a view toward achieving greater efficiency and economy in providing these services.

(b) It is, therefore, the policy of the state to eliminate the barriers to the organization, promotion, and expansion of health maintenance organizations; to provide for their regulation by the state commissioner of ~~health~~ commerce; and to exempt them from the operation of the insurance and nonprofit health service plan corporation laws of the state except as hereinafter provided.

(c) It is further the intention of the legislature to closely monitor the development of health maintenance organizations in order to assess their impact on the costs of health care to consumers, the accessibility of health care to consumers, and the quality of health care provided to consumers.

Sec. 5. Minnesota Statutes 1990, section 62D.02, subdivision 3, is amended to read:

Subd. 3. "Commissioner of health" ~~or "commissioner"~~ means the state commissioner of health or a designee.

Sec. 6. Minnesota Statutes 1990, section 62D.02, is amended by adding a subdivision to read:

Subd. 3a. "Commissioner of commerce" or "commissioner" means the state commissioner of commerce or a designee.

Sec. 7. Minnesota Statutes 1990, section 62D.03, is amended to read:

62D.03 [ESTABLISHMENT OF HEALTH MAINTENANCE ORGANIZATIONS.]

Subdivision 1. Notwithstanding any law of this state to the contrary, any nonprofit corporation organized to do so or a local governmental unit may apply to the commissioner of ~~health~~ com-

merce for a certificate of authority to establish and operate a health maintenance organization in compliance with sections 62D.01 to 62D.30. No person shall establish or operate a health maintenance organization in this state, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health maintenance organization or health maintenance contract unless the organization has a certificate of authority under sections 62D.01 to 62D.30.

Subd. 2. ~~Every person operating a health maintenance organization on July 1, 1973 shall submit an application for a certificate of authority, as provided in subdivision 4, within 90 days of July 1, 1973. Each such applicant may continue to operate until the commissioner of health acts upon the application. In the event that an application is denied, the applicant shall henceforth be treated as a health maintenance organization whose certificate of authority has been revoked.~~

~~Subd. 3.~~ The commissioner ~~of health may~~ shall require any person providing physician and hospital services with payments made in the manner set forth in section 62D.02, subdivision 4, to apply for a certificate of authority under sections 62D.01 to 62D.30. ~~Any person directed to apply for a certificate of authority shall be subject to the provisions of subdivision 2.~~

Subd. ~~4.~~ 3. Each application for a certificate of authority shall be verified by an officer or authorized representative of the applicant, and shall be in a form prescribed by the commissioner ~~of health~~. Each application shall include the following:

(a) a copy of the basic organizational document, if any, of the applicant and of each major participating entity; such as the articles of incorporation, or other applicable documents, and all amendments thereto;

(b) a copy of the bylaws, rules and regulations, or similar document, if any, and all amendments thereto which regulate the conduct of the affairs of the applicant and of each major participating entity;

(c) a list of the names, addresses, and official positions of the following:

(1) all members of the board of directors, or governing body of the local government unit, and the principal officers and shareholders of the applicant organization; and

(2) all members of the board of directors, or governing body of the local government unit, and the principal officers of the major participating entity and each shareholder beneficially owning more

than ten percent of any voting stock of the major participating entity;

The commissioner may by rule identify persons included in the term "principal officers";

(d) a full disclosure of the extent and nature of any contract or financial arrangements between the following:

(1) the health maintenance organization and the persons listed in clause (c)(1);

(2) the health maintenance organization and the persons listed in clause (c)(2);

(3) each major participating entity and the persons listed in clause (c)(1) concerning any financial relationship with the health maintenance organization; and

(4) each major participating entity and the persons listed in clause (c)(2) concerning any financial relationship with the health maintenance organization;

(e) the name and address of each participating entity and the agreed upon duration of each contract or agreement;

(f) a copy of the form of each contract binding the participating entities and the health maintenance organization. Contractual provisions shall be consistent with the purposes of sections 62D.01 to 62D.30, in regard to the services to be performed under the contract, the manner in which payment for services is determined, the nature and extent of responsibilities to be retained by the health maintenance organization, the nature and extent of risk sharing permissible, and contractual termination provisions;

(g) a copy of each contract binding major participating entities and the health maintenance organization. Contract information filed with the commissioner shall be confidential and subject to the provisions of section 13.37, subdivision 1, clause (b), upon the request of the health maintenance organization.

Upon initial filing of each contract, the health maintenance organization shall file a separate document detailing the projected annual expenses to the major participating entity in performing the contract and the projected annual revenues received by the entity from the health maintenance organization for such performance. The commissioner shall disapprove any contract with a major participating entity if the contract will result in an unreasonable expense under section 62D.19. The commissioner shall approve or disapprove a contract within ~~30~~ 60 days of filing. If the commissioner

fails to disapprove the contract in the time specified, the contract is deemed approved and may be implemented by the health maintenance organization.

Within 120 days of the anniversary of the implementation of each contract, the health maintenance organization shall file a document detailing the actual expenses incurred and reported by the major participating entity in performing the contract in the preceding year and the actual revenues received from the health maintenance organization by the entity in payment for the performance.;

~~Contracts implemented prior to April 25, 1984, shall be filed within 90 days of April 25, 1984. These contracts are subject to the provisions of section 62D.19, but are not subject to the prospective review prescribed by this clause, unless or until the terms of the contract are modified. Commencing with the next anniversary of the implementation of each of these contracts immediately following filing, the health maintenance organization shall, as otherwise required by this subdivision, file annual actual expenses and revenues;~~

(h) a statement generally describing the health maintenance organization, its health maintenance contracts and separate health service contracts, facilities, and personnel, including a statement describing the manner in which the applicant proposes to provide enrollees with comprehensive health maintenance services and separate health services;

(i) a copy of the form of each evidence of coverage to be issued to the enrollees;

(j) a copy of the form of each individual or group health maintenance contract and each separate health service contract which is to be issued to enrollees or their representatives;

(k) financial statements showing the applicant's assets, liabilities, and sources of financial support. If the applicant's financial affairs are audited by independent certified public accountants, a copy of the applicant's most recent certified financial statement may be deemed to satisfy this requirement;

(l) a description of the proposed method of marketing the plan, a schedule of proposed charges, and a financial plan which includes a three-year projection of the expenses and income and other sources of future capital;

(m) a statement reasonably describing the geographic area or areas to be served and the type or types of enrollees to be served;

(n) a description of the complaint procedures to be utilized as required under section 62D.11;

(o) a description of the procedures and programs to be implemented to meet the requirements of section 62D.04, subdivision 1, clauses (b) and (c) and to monitor the quality of health care provided to enrollees;

(p) a description of the mechanism by which enrollees will be afforded an opportunity to participate in matters of policy and operation under section 62D.06;

(q) a copy of any agreement between the health maintenance organization and an insurer or nonprofit health service corporation regarding reinsurance, stop-loss coverage, insolvency coverage, or any other type of coverage for potential costs of health services, as authorized in sections 62D.04, subdivision ~~1~~ 1a, clause ~~(f)~~ (b), 62D.05, subdivision 3, and 62D.13;

(r) a copy of the conflict of interest policy which applies to all members of the board of directors and the principal officers of the health maintenance organization, as described in section 62D.04, subdivision ~~1~~ 1a, ~~paragraph (g). All currently licensed health maintenance organizations shall also file a conflict of interest policy with the commissioner within 60 days after August 1, 1990, or at a later date if approved by the commissioner~~ clause (c);

(s) a copy of the statement that describes the health maintenance organization's prior authorization administrative procedures;

(t) a copy of the agreement between the guaranteeing organization and the health maintenance organization, as described in section 62D.043, subdivision 6; and

(u) other information as the commissioner ~~of health~~ may reasonably require to be provided.

Sec. 8. Minnesota Statutes 1990, section 62D.04, is amended to read:

62D.04 [ISSUANCE OF CERTIFICATE OF AUTHORITY.]

Subdivision 1. [REVIEW OF APPLICATION BY COMMISSIONER OF HEALTH.] The commissioner shall forward a copy of the application to the commissioner of health. The filing date with the commissioner shall determine any time periods within which either commissioner must act upon the application. Upon receipt of an application for a certificate of authority, the commissioner of health shall determine whether the applicant for a certificate of authority has:

(a) demonstrated the willingness and potential ability to assure that health care services will be provided in such a manner as to enhance and assure both the availability and accessibility of adequate personnel and facilities;

(b) arrangements for an ongoing evaluation of the quality of health care;

(c) a procedure to develop, compile, evaluate, and report statistics relating to ~~the cost of its operations,~~ the pattern of utilization of its services, the quality, availability and accessibility of its services, and such other matters relating to the quality of care rendered by the applicant as may be reasonably required by ~~regulation~~ rule of the commissioner of health;

(d) reasonable provisions for emergency and out of area health care services~~;~~.

~~(e)~~ Within 45 days of filing the application for the certificate of authority, the commissioner of health shall determine whether or not the applicant meets the requirements of this subdivision. If the commissioner of health determines that the applicant meets the requirements of this subdivision, the commissioner of health shall certify that determination to the commissioner of commerce. If the commissioner of health determines that the applicant has not met the requirements of this subdivision, the commissioner of health shall certify this determination to the commissioner of commerce and shall specify the reason or reasons for the determination and include copies of all documents and evidence upon which the determination was based.

Subd. 1a. [COMMISSIONER OF COMMERCE; STANDARDS FOR ISSUANCE.] Upon receiving an application for a certificate of authority, the commissioner shall determine whether the applicant for a certificate has:

(a) demonstrated that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. In making this determination, the commissioner ~~of health~~ shall require the amounts of net worth and working capital required in section 62D.042, the deposit required in section 62D.041, and in addition shall consider:

(1) the financial soundness of its arrangements for health care services and the proposed schedule of charges used in connection therewith;

(2) arrangements which will guarantee for a reasonable period of time the continued availability or payment of the cost of health care

services in the event of discontinuance of the health maintenance organization; and

(3) agreements with providers for the provision of health care services;

~~(f)~~ (b) demonstrated that it will assume full financial risk on a prospective basis for the provision of comprehensive health maintenance services, including hospital care; provided, however, that the requirement in this paragraph shall not prohibit the following:

(1) a health maintenance organization from obtaining insurance or making other arrangements (i) for the cost of providing to any enrollee comprehensive health maintenance services, the aggregate value of which exceeds $5,000 in any year, (ii) for the cost of providing comprehensive health care services to its members on a nonelective emergency basis, or while they are outside the area served by the organization, or (iii) for not more than 95 percent of the amount by which the health maintenance organization's costs for any of its fiscal years exceed 105 percent of its income for such fiscal years; and

(2) a health maintenance organization from having a provision in a group health maintenance contract allowing an adjustment of premiums paid based upon the actual health services utilization of the enrollees covered under the contract, except that at no time during the life of the contract shall the contract holder fully self-insure the financial risk of health care services delivered under the contract. Risk sharing arrangements shall be subject to the requirements of sections 62D.01 to 62D.30;

~~(g)~~ (c) demonstrated that it has made provisions for and adopted a conflict of interest policy applicable to all members of the board of directors and the principal officers of the health maintenance organization. The conflict of interest policy shall include the procedures described in section 317A.255, subdivisions 1 and 2. However, the commissioner is not precluded from finding that a particular transaction is an unreasonable expense as described in section 62D.19 even if the directors follow the required procedures; and

~~(h)~~ (d) otherwise met the requirements of sections 62D.01 to 62D.30.

Subd. 2. [ACTION BY COMMISSIONER OF COMMERCE.] Within ~~90~~ 60 days after the receipt of the application for a certificate of authority, the commissioner ~~of health~~ shall determine whether or not the applicant meets the requirements of this section. If the commissioner ~~of health~~ determines that the applicant meets the requirements of sections 62D.01 to 62D.30, the commissioner shall issue a certificate of authority to the applicant. If the commissioner ~~of health~~ determines that the applicant is not qualified, the com-

missioner shall so notify the applicant and shall specify the reason or reasons for such disqualification.

Subd. 3. [LIMITATION ON NAME USE.] ~~Except as provided in section 62D.03, subdivision 2,~~ No person who has not been issued a certificate of authority shall use the words "health maintenance organization" or the initials "HMO" in its name, contracts or literature. Provided, however, that persons who are operating under a contract with, operating in association with, enrolling enrollees for, or otherwise authorized by a health maintenance organization licensed under sections 62D.01 to 62D.30 to act on its behalf may use the terms "health maintenance organization" or "HMO" for the limited purpose of denoting or explaining their association or relationship with the authorized health maintenance organization. No health maintenance organization which has a minority of consumers as members of its board of directors shall use the words "consumer controlled" in its name or in any way represent to the public that it is controlled by consumers.

Subd. 4. [CONTINUED COMPLIANCE.] Upon being granted a certificate of authority to operate as a health maintenance organization, the organization must continue to operate in compliance with the standards set forth in subdivision 1. Noncompliance may result in the imposition of a fine or the suspension or revocation of the certificate of authority, in accordance with sections 62D.15 to 62D.17.

Sec. 9. Minnesota Statutes 1990, section 62D.05, subdivision 6, is amended to read:

Subd. 6. [SUPPLEMENTAL BENEFITS.] (a) A health maintenance organization may, as a supplemental benefit, provide coverage to its enrollees for health care services and supplies received from providers who are not employed by, under contract with, or otherwise affiliated with the health maintenance organization. Supplemental benefits may be provided if the following conditions are met:

(1) a health maintenance organization desiring to offer supplemental benefits must at all times comply with the requirements of sections 62D.041 and 62D.042;

(2) a health maintenance organization offering supplemental benefits must maintain an additional surplus in the first year supplemental benefits are offered equal to the lesser of $500,000 or 33 percent of the supplemental benefit expenses. At the end of the second year supplemental benefits are offered, the health maintenance organization must maintain an additional surplus equal to the lesser of $1,000,000 or 33 percent of the supplemental benefit expenses. At the end of the third year benefits are offered and every year after that, the health maintenance organization must maintain an additional surplus equal to the greater of $1,000,000 or 33

percent of the supplemental benefit expenses. When in the judgment of the commissioner the health maintenance organization's surplus is inadequate, the commissioner may require the health maintenance organization to maintain additional surplus;

(3) claims relating to supplemental benefits must be processed in accordance with the requirements of section 72A.201; and

(4) in marketing supplemental benefits, the health maintenance organization shall fully disclose and describe to enrollees and potential enrollees the nature and extent of the supplemental coverage, and any claims filing and other administrative responsibilities in regard to supplemental benefits.

(b) The commissioner may, pursuant to chapter 14, adopt, enforce, and administer rules relating to this subdivision, including: rules insuring that these benefits are supplementary and not substitutes for comprehensive health maintenance services by addressing percentage of out-of-plan coverage; rules relating to the establishment of necessary financial reserves; rules relating to marketing practices; and other rules necessary for the effective and efficient administration of this subdivision. ~~The commissioner, in adopting rules, shall give consideration to existing laws and rules administered and enforced by the department of commerce relating to health insurance plans.~~

Sec. 10. Minnesota Statutes 1990, section 62D.06, subdivision 2, is amended to read:

Subd. 2. The governing body shall establish a mechanism to afford the enrollees an opportunity to express their opinions in matters of policy and operation through the establishment of advisory panels, by the use of advisory referenda on major policy decisions, or through the use of other mechanisms as may be prescribed or permitted by the commissioner ~~of health~~.

Sec. 11. Minnesota Statutes 1990, section 62D.07, subdivision 2, is amended to read:

Subd. 2. No evidence of coverage or contract, or amendment thereto shall be issued or delivered to any person in this state until a copy of the form of the evidence of coverage or contract or amendment thereto has been filed with and approved by the commissioner ~~of health~~ pursuant to section 62D.03 or 62D.08. If the commissioner does not disapprove the filing within 60 days of the filing, it shall be deemed approved and may be implemented by the health maintenance organization.

Sec. 12. Minnesota Statutes 1990, section 62D.07, subdivision 3, is amended to read:

Subd. 3. Contracts and evidences of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading, or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) the health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health maintenance contract;

(2) any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature and requirements for referrals, prior authorizations, and second opinions;

(3) where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) the total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) a description of the health maintenance organization's method for resolving enrollee complaints and a statement identifying the commissioner as an external source with whom grievances may be registered.

(c) On the cover page of the evidence of coverage and contract, a clear and complete statement of enrollees' rights as consumers. The statement must be in bold print and captioned "Important Consumer Information and Enrollee Bill of Rights" and must include but not be limited to the following provisions in the following language or in substantially similar language approved in advance by the commissioner:

CONSUMER INFORMATION

(1) COVERED SERVICES: Services provided by (name of health maintenance organization) will be covered only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Your contract fully defines what services are covered and describes procedures you must follow to obtain coverage.

(2) PROVIDERS: Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on the list of providers. When a provider is no longer part of (name of health maintenance organization), you must choose among remaining (name of the health maintenance organization) providers.

(3) REFERRALS: Certain services are covered only upon referral. See section (section number) of your contract for referral requirements. All referrals to non-(name of health maintenance organization) providers and certain types of health care providers must be authorized by (name of health maintenance organization).

(4) EMERGENCY SERVICES: Emergency services from providers who are not affiliated with (name of health maintenance organization) will be covered only if proper procedures are followed. Your contract explains the procedures and benefits associated with emergency care from (name of health maintenance organization) and non-(name of health maintenance organization) providers.

(5) EXCLUSIONS: Certain services or medical supplies are not covered. You should read the contract for a detailed explanation of all exclusions.

(6) CONTINUATION: You may convert to an individual health maintenance organization contract or continue coverage under certain circumstances. These continuation and conversion rights are explained fully in your contract.

(7) CANCELLATION: Your coverage may be canceled by you or (name of health maintenance organization) only under certain conditions. Your contract describes all reasons for cancellation of coverage.

ENROLLEE BILL OF RIGHTS

(1) Enrollees have the right to available and accessible services including emergency services, as defined in your contract, 24 hours a day and seven days a week;

(2) Enrollees have the right to be informed of health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;

(3) Enrollees have the right to refuse treatment, and the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;

(4) Enrollees have the right to file a grievance with the health

maintenance organization and the commissioner ~~of health~~ and the right to initiate a legal proceeding when experiencing a problem with the health maintenance organization or its health care providers;

(5) Enrollees have the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force;

(6) Medicare enrollees have the right to voluntarily disenroll from the health maintenance organization and the right not to be requested or encouraged to disenroll except in circumstances specified in federal law; and

(7) Medicare enrollees have the right to a clear description of nursing home and home care benefits covered by the health maintenance organization.

Sec. 13. Minnesota Statutes 1990, section 62D.07, subdivision 10, is amended to read:

Subd. 10. An individual health maintenance organization contract and an evidence of coverage must contain a department of ~~health~~ commerce telephone number that the enrollee can call to register a complaint about a health maintenance organization.

Sec. 14. Minnesota Statutes 1990, section 62D.08, is amended to read:

62D.08 [ANNUAL REPORT.]

Subdivision 1. A health maintenance organization shall, unless otherwise provided for by rules adopted by the commissioner ~~of health~~, file notice with the commissioner ~~of health~~ prior to any modification of the operations or documents described in the information submitted under clauses (a), (b), (e), (f), (g), (i), (j), (l), (m), (n), (o), (p), (q), (r), (s), and (t) of section 62D.03, subdivision 4. The commissioner shall forward to the commissioner of health a copy of the notice. The commissioner of health shall notify the commissioner within 45 days of the filing of the commissioner of health's determination that the modification will result in the organization's failure to comply with section 62D.04, subdivision 1, clause (a), (b), (c), or (d). If the commissioner of health does not ~~disapprove~~ recommend disapproval of the filing within 45 days and the commissioner does not disapprove of the filing within 60 days, it shall be deemed approved and may be implemented by the health maintenance organization.

Subd. 2. Every health maintenance organization shall annually,

on or before April 1, file a verified report with the commissioner ~~of health~~ covering the preceding calendar year. However, utilization data required under subdivision 3, clause (c), shall be filed on or before July 1.

Subd. 3. Such report shall be on forms prescribed by the commissioner ~~of health,~~ and shall include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or nonprofit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract, (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment, and (4) a supplementary statement of assets, liabilities, premium revenue, and expenditures for risk sharing business under section 62D.04, subdivision 1~~, on forms prescribed by the commissioner~~;

(b) The number of new enrollees enrolled during the year, the number of group enrollees and the number of individual enrollees as of the end of the year and the number of enrollees terminated during the year;

(c) A summary of information compiled pursuant to section 62D.04, subdivision 1, clause (c), in such form as may be required by the commissioner ~~of health~~;

(d) A report of the names and addresses of all persons set forth in section 62D.03, subdivision 4 3, clause (c), who were associated with the health maintenance organization or the major participating entity during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization or the major participating entity, as those services relate to the health maintenance organization, including a full disclosure of all financial arrangements during the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4 3, clause (d);

(e) A separate report addressing health maintenance contracts sold to individuals covered by Medicare, title XVIII of the Social Security Act, as amended, including the information required under section 62D.30, subdivision 6; and

(f) Such other information relating to the performance of the health maintenance organization as is reasonably necessary to enable the commissioner ~~of health~~ to carry out the duties under

sections 62D.01 to 62D.30. As a supplement to the annual report, the health maintenance organization shall submit such other information as is reasonably necessary to enable the commissioner of health to carry out the duties under section 62D.04, subdivision 1, clause (a), (b), (c), or (d). This supplement shall be on forms prescribed by the commissioner of health.

Subd. 4. Any health maintenance organization which fails to file ~~a verified report~~ the report required by this section with the commissioner on or before ~~April 1~~ the dates specified of the year due shall be subject to the levy of a fine up to $500 for each day the report is past due. This failure will serve as a basis for other disciplinary action against the organization, including suspension or revocation, in accordance with sections 62D.15 to 62D.17. The commissioner may grant an extension of ~~the~~ a reporting deadline upon good cause shown by the health maintenance organization. Any fine levied or disciplinary action taken against the organization under this subdivision is subject to the contested case and judicial review provisions of sections 14.57 to 14.69.

Subd. 5. Every health maintenance organization shall inform the commissioner of any change in the information described in section 62D.03, subdivision 4 3, clause (e), including any change in address, any modification of the duration of any contract or agreement, and any addition to the list of participating entities, within ten working days of the notification of the change. Any cancellation or discontinuance of any contract or agreement listed in section 62D.03, subdivision 4 3, clause (e), or listed subsequently in accordance with this subdivision, shall be reported to the commissioner 120 days before the effective date. When the health maintenance organization terminates a provider for cause, death, disability, or loss of license, the health maintenance organization must notify the commissioner within three working days of the date the health maintenance organization sends out or receives the notice of cancellation, discontinuance, or termination. Any health maintenance organization which fails to notify the commissioner within the time periods prescribed in this subdivision shall be subject to the levy by the commissioner of a fine up to $200 per contract for each day the notice is past due, accruing up to the date the organization notifies the commissioner of the cancellation or discontinuance. Any fine levied under this subdivision is subject to the contested case and judicial review provisions of chapter 14. The levy of a fine does not preclude the commissioner from using other penalties described in sections 62D.15 to 62D.17.

Subd. 6. A health maintenance organization shall submit to the commissioner unaudited financial statements of the organization for the first three quarters of the year on forms prescribed by the commissioner. The statements are due 30 days after the end of the quarter and shall be maintained as nonpublic data, as defined by section 13.02, subdivision 9. Unaudited financial statements for the

fourth quarter shall be submitted at the request of the commissioner.

Sec. 15. Minnesota Statutes 1990, section 62D.09, subdivision 1, is amended to read:

Subdivision 1. (a) Any written marketing materials which may be directed toward potential enrollees and which include a detailed description of benefits provided by the health maintenance organization shall include a statement of consumer information and rights as described in section 62D.07, subdivision 3, paragraphs (b) and (c). Prior to any oral marketing presentation, the agent marketing the plan must inform the potential enrollees that any complaints concerning the material presented should be directed to the health maintenance organization, the commissioner ~~of health~~, or, if applicable, the employer.

(b) Detailed marketing materials must affirmatively disclose all exclusions and limitations in the organization's services or kinds of services offered to the contracting party, including but not limited to the following types of exclusions and limitations:

(1) health care services not provided;

(2) health care services requiring copayments or deductibles paid by enrollees;

(3) the fact that access to health care services does not guarantee access to a particular provider type; and

(4) health care services that are or may be provided only by referral of a physician.

(c) No marketing materials may lead consumers to believe that all health care needs will be covered. All marketing materials must alert consumers to possible uncovered expenses with the following language in bold print: "THIS HEALTH CARE PLAN MAY NOT COVER ALL YOUR HEALTH CARE EXPENSES; READ YOUR CONTRACT CAREFULLY TO DETERMINE WHICH EXPENSES ARE COVERED." Immediately following the disclosure required under paragraph (b), clause (3), consumers must be given a telephone number to use to contact the health maintenance organization for specific information about access to provider types.

(d) The disclosures required in paragraphs (b) and (c) are not required on billboards or image, and name identification advertisement.

Sec. 16. Minnesota Statutes 1990, section 62D.09, subdivision 8, is amended to read:

Subd. 8. Each health maintenance organization shall issue a membership card to its enrollees. The membership card must:

(1) identify the health maintenance organization;

(2) include the name, address, and telephone number to call if the enroller has a complaint;

(3) include the telephone number to call or the instruction on how to receive authorization for emergency care; and

(4) include the telephone number to call to appeal to the commissioner ~~of health~~.

Sec. 17. Minnesota Statutes 1990, section 62D.10, subdivision 4, is amended to read:

Subd. 4. A health plan may apply to the commissioner ~~of health~~ for a waiver of the requirements of this section or for authorization to impose such underwriting restrictions upon open enrollment as are necessary (a) to preserve its financial stability, (b) to prevent excessive adverse selection by prospective enrollees, or (c) to avoid unreasonably high or unmarketable charges for enrollee coverage for health care services. The commissioner ~~of health~~ upon a showing of good cause, shall approve or upon failure to show good cause shall deny such application within 30 days of the receipt thereof from the health plan. The commissioner ~~of health~~ may, in accordance with chapter 14, promulgate rules to implement this section.

Sec. 18. Minnesota Statutes 1990, section 62D.11, is amended to read:

62D.11 [COMPLAINT SYSTEM.]

Subdivision 1. Every health maintenance organization shall establish and maintain a complaint system including an impartial arbitration provision, to provide reasonable procedures for the resolution of written complaints initiated by enrollees concerning the provision of health care services. "Provision of health services" includes, but is not limited to, questions of the scope of coverage, quality of care, and administrative operations. Arbitration shall be subject to chapter 572, except (a) in the event that an enrollee elects to litigate a complaint prior to submission to arbitration, and (b) no medical malpractice damage claim shall be subject to arbitration unless agreed to by both parties subsequent to the event giving rise to the claim.

Subd. 1a. Where a complaint involves a dispute about a health maintenance organization's coverage of a service, the commissioner may review the complaint and any information and testimony

necessary in order to make a determination and order the appropriate remedy pursuant to sections 62D.15 to 62D.17.

Subd. 1b. [EXPEDITED RESOLUTION OF COMPLAINTS ABOUT URGENTLY NEEDED SERVICE.] In addition to any remedy contained in subdivision 1a, when a complaint involves a dispute about a health maintenance organization's coverage of an immediately and urgently needed service, the commissioner may also order the health maintenance organization to use an expedited system to process the complaint.

Subd. 2. The health maintenance organization shall maintain a record of each written complaint filed with it for five years ~~and~~. The commissioner and the commissioner of health shall have access to the records.

Subd. 2a. [REPORTS.] Every health maintenance organization shall at least annually submit a report to the commissioner of commerce on the operation of its complaint or grievance mechanism on forms prescribed by the commissioner.

Subd. 3. [DENIAL OF SERVICE.] Within a reasonable time after receiving an enrollee's written or oral communication to the health maintenance organization concerning a refusal of service or inadequacy of services, the health maintenance organization shall provide the enrollee with a written statement of the reason for the refusal of service, and a statement approved by the commissioner ~~of health~~ which explains the health maintenance organization complaint procedures, and in the case of Medicare enrollees, which also explains Medicare appeal procedures.

Subd. 4. [COVERAGE OF SERVICE.] A health maintenance organization may not deny or limit coverage of a service which the enrollee has already received solely on the basis of lack of prior authorization or second opinion, to the extent that the service would otherwise have been covered under the member's contract by the health maintenance organization had prior authorization or second opinion been obtained.

Sec. 19. Minnesota Statutes 1990, section 62D.12, subdivision 1, is amended to read:

Subdivision 1. No health maintenance organization or representative thereof may cause or knowingly permit the use of advertising or solicitation which is untrue or misleading, or any form of evidence of coverage which is deceptive. Each health maintenance organization shall be subject to sections 72A.17 to ~~72A.32~~ 72A.327, relating to the regulation of trade practices~~,~~ except ~~(a)~~ to the extent that the nature of a health maintenance organization renders such sections clearly inappropriate ~~and (b) that enforcement shall be by the commissioner of health and not by the commissioner of commerce~~.

Every health maintenance organization shall be subject to sections 8.31 and 325F.69.

Sec. 20. Minnesota Statutes 1990, section 62D.12, subdivision 2, is amended to read:

Subd. 2. No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (a) failure to pay the charge for health care coverage; (b) termination of the health care plan; (c) termination of the group plan; (d) enrollee moving out of the area served, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (e) enrollee moving out of an eligible group, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (f) failure to make copayments required by the health care plan; or (g) other reasons established in rules promulgated by the commissioner ~~of health~~.

Sec. 21. Minnesota Statutes 1990, section 62D.12, subdivision 9, is amended to read:

Subd. 9. All net earnings of the health maintenance organization shall be devoted to the nonprofit purposes of the health maintenance organization in providing comprehensive health care. No health maintenance organization shall provide for the payment, whether directly or indirectly, of any part of its net earnings, to any person as a dividend or rebate; provided, however, that health maintenance organizations may make payments to providers or other persons based upon the efficient provision of services or as incentives to provide quality care. The commissioner ~~of health~~ shall, pursuant to sections 62D.01 to 62D.30, revoke the certificate of authority of any health maintenance organization in violation of this subdivision.

Sec. 22. Minnesota Statutes 1990, section 62D.121, subdivision 2, is amended to read:

Subd. 2. If the health maintenance organization has terminated individuals from coverage in a service area, the replacement coverage shall be health maintenance organization coverage issued by the health maintenance organization terminating coverage unless the health maintenance organization can demonstrate to the commissioner that offering health maintenance organization replacement coverage would not be feasible. In making the determination, the commissioner shall consider (1) loss ratios and forecasts, (2) lack of agreements between health care providers and the health maintenance organization to offer that product, (3) evidence of anticipated premium needs compared with established rates, (4) the financial impact of the replacement coverage on the overall financial solvency of the plan, ~~and~~ (5) the cost to the enrollee of health maintenance organization replacement coverage as compared to cost to the enrollee of the replacement coverage required under subdivision 3, and (6) other information the commissioner considers appropriate.

Sec. 23. Minnesota Statutes 1990, section 62D.121, subdivision 3a, is amended to read:

Subd. 3a. If the replacement coverage is health maintenance organization coverage, as explained in subdivisions 2 and 2a, the fee shall not exceed 125 percent of the cost of the average fee charged by health maintenance organizations for a similar health plan. The commissioner ~~of health~~ will determine the average cost of the plan on the basis of information provided annually by the health maintenance organizations concerning the rates charged by the health maintenance organizations for the plans offered. Fees or premiums charged under this section must be actuarially justified.

Sec. 24. Minnesota Statutes 1990, section 62D.121, subdivision 4, is amended to read:

Subd. 4. The commissioner will approve or disapprove the replacement coverage within 30 days after it is filed with the commissioner. A health maintenance organization shall not give enrollees a notice of cancellation of coverage until a replacement policy has been filed with the commissioner and approved or disapproved. If the commissioner fails to disapprove the replacement policy within the specified time, the replacement coverage shall be deemed approved.

Sec. 25. Minnesota Statutes 1990, section 62D.121, subdivision 5, is amended to read:

Subd. 5. The health maintenance organization must provide the terminated enrollees with a written notice of cancellation 90 days before the date the cancellation takes effect. If the replacement coverage is approved by the commissioner under subdivision 4, the notice shall clearly and completely describe the replacement coverage that the enrollees are eligible to receive and explain the procedure for enrolling. If the replacement coverage is not approved by the commissioner, the health maintenance organization shall provide a cancellation notice with information that the enrollee is entitled to enroll in the state comprehensive health insurance plan with a waiver of the waiting period for preexisting conditions under section 62E.14, subdivisions 1, paragraph (d), and 6.

Sec. 26. Minnesota Statutes 1990, section 62D.121, subdivision 7, is amended to read:

Subd. 7. [GEOGRAPHIC ACCESSIBILITY.] If the commissioner believes that there are not enough providers to assure that enrollees have accessible health services available in a geographic service area, the commissioner may ask the commissioner of health to determine the question. If the commissioner of health determines that there are not enough providers to assure that enrollees have accessible health services available in a geographic service area, the commissioner of health shall ~~institute~~ prescribe a plan of corrective

action that shall be followed by the health maintenance organization. Such a plan may include but not be limited to requiring the health maintenance organization to make payments to nonparticipating providers for health services for enrollees, requiring the health maintenance organization to discontinue accepting new enrollees in that service area, and requiring the health maintenance organization to reduce its geographic service area. If a nonparticipating provider has been a participating provider with the health maintenance organization within the last year, any payments made under this section must not exceed the payment level of the previous contract unless the commissioner of health determines that without adjusting payments the health maintenance organization will be unable to meet the health care needs of enrollees in the area.

Sec. 27. Minnesota Statutes 1991 Supplement, section 62D.122, is amended to read:

62D.122 [MEDIATION.]

When current parties to a health maintenance organization contract between providers of health care services and the health maintenance organization believe they will be unable to reach agreement on the terms of renewal or maintenance of the agreement, either party may request the commissioner ~~of health~~ to order that the dispute be submitted to mediation. The parties to the dispute shall enter mediation upon the order of the commissioner ~~of health~~. Whether or not a request for mediation from one of the parties has been received, the commissioner shall order mediation if failure to reach agreement would significantly impair access to health care services on the part of current enrollees of that health maintenance organization. The commissioner or the commissioner of health if the commissioner considers it appropriate shall be a participant in the mediation. In determining whether access to health care services for current enrollees will be significantly impaired, the commissioner ~~shall~~ may consider:

(1) the number of enrollees affected,

(2) the ability of the plan to make alternate arrangements with other participating providers for the provision of health care services to the affected enrollees,

(3) the availability of nonparticipating providers who may become participating providers for those with whom the health maintenance organization is in dispute,

(4) the time remaining until termination of the provider contract, and

(5) whether failure to resolve the dispute may establish a prece-

dent for similar disputes in other parts of the state or might impede competition among health plans.

During the period in which the dispute is in mediation, no action to terminate provider or enrollee contracts may be taken by either party. Participation in mediation shall be required of all parties for a period of not more than 30 days. Notice of termination of provider agreements, as required under section 62D.08, subdivision 5, shall take effect no earlier than 31 days after the first day of mediation under this section.

When mediation is ordered by the commissioner, arrangements for mediation shall be made through the office of administrative hearings.

Costs of the mediation shall be borne equally by the health maintenance organization and the health care providers unless otherwise agreed to by the parties. The office of administrative hearings shall establish rates for mediation services comparable to those charged by mediators listed with the office of dispute resolution.

The mediator shall not have authority to impose a settlement or otherwise bind a participant to a nonvoluntary resolution of the dispute; however, any agreement reached as a result of the mediation shall be enforceable.

Except as otherwise provided under chapter 13 and sections 62D.03 and 62D.14, the commissioner shall make public the results of any mediation agreement.

Sec. 28. Minnesota Statutes 1990, section 62D.14, is amended to read:

62D.14 [EXAMINATIONS.]

Subdivision 1. The commissioner ~~of health~~ may make an examination of the affairs of any health maintenance organization and its contracts, agreements, or other arrangements with any participating entity as often as the commissioner ~~of health~~ deems necessary for the protection of the interests of the people of this state, but not less frequently than once every three years. Examinations of participating entities pursuant to this subdivision shall be limited to their dealings with the health maintenance organization and its enrollees, except that examinations of major participating entities may include inspection of the entity's financial statements kept in the ordinary course of business. The commissioner may require major participating entities to submit the financial statements directly to the commissioner. Financial statements of major participating entities are subject to the provisions of section 13.37, subdivision 1,

clause (b), upon request of the major participating entity or the health maintenance organization with which it contracts.

Subd. 2. The commissioner ~~will~~ must notify the organization and any involved participating entity in writing when an examination has been initiated. ~~The commissioner will include in~~ This notice must include a full statement of the pertinent facts and of the matters being examined, and may include a statement that the organization or participating entity must submit to the commissioner, within 30 days from the date of the notice, a complete written report concerning those matters.

Subd. 3. In order to accomplish the duties under this section with respect to the dealings of the participating entities with the health maintenance organization, the commissioner ~~of health shall have~~ has the right to:

(a) inspect or otherwise evaluate the quality, appropriateness, and timeliness of services performed;

(b) audit and inspect any books and records of a health maintenance organization and a participating entity which pertain to services performed and determinations of amounts payable under such contract;

(c) require persons or organizations under examination to be deposed and to answer interrogatories, regardless of whether an administrative hearing or other civil proceeding has been or will be initiated; and

(d) employ site visits, public hearings, or any other procedures considered appropriate to obtain the information necessary to determine the issues.

Subd. 4. Any data or information pertaining to the diagnosis, treatment, or health of any enrollee, or any application obtained from any person, shall be private as defined in chapter 13 and shall not be disclosed to any person except (a) to the extent necessary to carry out the purposes of sections 62D.01 to 62D.30, the commissioner and ~~a designee~~ the commissioner's designated representative shall have access to the above data or information but the data removed from the health maintenance organization or participating entity shall not identify any particular patient or client by name or contain any other unique personal identifier; (b) upon the express consent of the enrollee or applicant; (c) pursuant to statute or court order for the production of evidence or the discovery thereof; or (d) in the event of claim or litigation between such person and the provider or health maintenance organization wherein such data or information is pertinent. In any case involving a suspected violation of a law applicable to health maintenance organizations in which access to health data maintained by the health maintenance organization or

participating entity is necessary, the commissioner and agents, while maintaining the privacy rights of individuals and families, shall be permitted to obtain data that identifies any particular patient or client by name. A health maintenance organization shall be entitled to claim any statutory privileges against such disclosure which the provider who furnished such information to the health maintenance organization is entitled to claim.

Subd. 5. The commissioner ~~of health~~ shall have the power to administer oaths to and examine witnesses, and to issue subpoenas.

Subd. 6. Reasonable expenses of examinations under this section shall be assessed by the commissioner ~~of health~~ against the organization being examined, and shall be remitted to the commissioner of health for deposit in the general fund of the state treasury.

Subd. 7. Failure to provide relevant information necessary for conducting examinations pursuant to this section shall be subject to the levy of a fine up to $200 for each day the information is not provided. A fine levied under this subdivision shall be subject to the contested case and judicial review provisions of chapter 14. In the event a timely request for review is made, accrual of a fine levied shall be stayed pending completion of the contested case and judicial review proceeding.

Subd. 8. [POWERS OF COMMISSIONER OF HEALTH.] The commissioner of health in discharging the duties and responsibilities assigned by this chapter has the authority to recommend to the commissioner the imposition of fines, penalties or other corrective action.

Sec. 29. Minnesota Statutes 1990, section 62D.15, is amended to read:

62D.15 [SUSPENSION OR REVOCATION OF CERTIFICATE OF AUTHORITY.]

Subdivision 1. The commissioner ~~of health~~ may suspend or revoke any certificate of authority issued to a health maintenance organization under sections 62D.01 to 62D.30 if the commissioner finds that:

(a) The health maintenance organization is operating significantly in contravention of its basic organizational document, its health maintenance contract, or in a manner contrary to that described in and reasonably inferred from any other information submitted under section 62D.03, unless amendments to such submissions have been filed with and approved by the commissioner ~~of health~~;

(b) The health maintenance organization issues evidences of coverage which do not comply with the requirements of section 62D.07;

(c) The health maintenance organization is unable to fulfill its obligations to furnish comprehensive health maintenance services as required under its health maintenance contract;

(d) The health maintenance organization is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees;

(e) The health maintenance organization has failed to implement a mechanism affording the enrollees an opportunity to participate in matters of policy and operation under section 62D.06;

(f) The health maintenance organization has failed to implement the complaint system required by section 62D.11 in a manner designed to reasonably resolve valid complaints;

(g) The health maintenance organization, or any person acting with its sanction, has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive, or unfair manner;

(h) The continued operation of the health maintenance organization would be hazardous to its enrollees; or

(i) The health maintenance organization has otherwise failed to substantially comply with sections 62D.01 to 62D.30 or with any other statute or administrative rule applicable to health maintenance organizations, or has submitted false information in any report required hereunder.

Subd. 2. A certificate of authority shall be suspended or revoked only after compliance with the requirements of section 62D.16.

Subd. 3. When the certificate of authority of a health maintenance organization is suspended, the health maintenance organization shall not, during the period of such suspension, enroll any additional enrollees except newborn children or other newly acquired dependents of existing enrollees, and shall not engage in any advertising or solicitation whatsoever.

Subd. 4. When the certificate of authority of a health maintenance organization is revoked, the organization shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs, and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of the organization. It shall engage in no further advertising or solicitation whatsoever. The commissioner ~~of health~~ may, by written order, permit further

operation of the organization as the commissioner may find to be in the best interest of enrollees, to the end that enrollees will be afforded the greatest practical opportunity to obtain continuing health care coverage.

Sec. 30. Minnesota Statutes 1990, section 62D.16, is amended to read:

62D.16 [DENIAL, SUSPENSION, AND REVOCATION; ADMINISTRATIVE PROCEDURES.]

Subdivision 1. When the commissioner ~~of health~~ has cause to believe that grounds for the denial, suspension or revocation of a certificate of authority exists, the commissioner shall notify the health maintenance organization in writing specifically stating the grounds for denial, suspension or revocation and fixing a time of at least 20 days thereafter for a hearing on the matter, except in summary proceedings as provided in section 62D.18.

Subd. 2. After such hearing, or upon the failure of the health maintenance organization to appear at the hearing, the commissioner ~~of health~~ shall take action as is deemed advisable and shall issue written findings which shall be mailed to the health maintenance organization. The action of the commissioner ~~of health~~ shall be subject to judicial review pursuant to chapter 14.

Sec. 31. Minnesota Statutes 1990, section 62D.17, is amended to read:

62D.17 [PENALTIES AND ENFORCEMENT.]

Subdivision 1. The commissioner ~~of health~~ may, for any violation of statute or rule applicable to a health maintenance organization, or in lieu of suspension or revocation of a certificate of authority under section 62D.15, levy an administrative penalty in an amount up to $25,000 for each violation. In the case of contracts or agreements made pursuant to section 62D.05, subdivisions 2 to 4, each contract or agreement entered into or implemented in a manner which violates sections 62D.01 to 62D.30 shall be considered a separate violation. In determining the level of an administrative penalty, the commissioner shall consider the following factors:

(1) the number of enrollees affected by the violation;

(2) the effect of the violation on enrollees' health and access to health services;

(3) if only one enrollee is affected, the effect of the violation on that enrollee's health;

(4) whether the violation is an isolated incident or part of a pattern of violations; and

(5) the economic benefits derived by the health maintenance organization or a participating provider by virtue of the violation.

Reasonable notice in writing to the health maintenance organization shall be given of the intent to levy the penalty and the reasons therefor, and the health maintenance organization may have 15 days within which to file a written request for an administrative hearing and review of the ~~commissioner of health's~~ commissioner's determination. Such administrative hearing shall be subject to judicial review pursuant to chapter 14.

Subd. 2. Any person who violates sections 62D.01 to 62D.30 or knowingly submits false information in any report required hereunder shall be guilty of a misdemeanor.

Subd. 3. (a) If the commissioner ~~of health~~ shall, for any reason, have cause to believe that any violation of sections 62D.01 to 62D.30 has occurred or is threatened, the commissioner ~~of health~~ may, before commencing action under sections 62D.15 and 62D.16, and subdivision 1, give notice to the health maintenance organization and to the representatives, or other persons who appear to be involved in such suspected violation, to arrange a voluntary conference with the alleged violators or their authorized representatives for the purpose of attempting to ascertain the facts relating to such suspected violation and, in the event it appears that any violation has occurred or is threatened, to arrive at an adequate and effective means of correcting or preventing such violation.

(b) Proceedings under this subdivision shall not be governed by any formal procedural requirements, and may be conducted in such manner as the commissioner ~~of health~~ may deem appropriate under the circumstances.

Subd. 4. (a) The commissioner ~~of health~~ may issue an order directing a health maintenance organization or a representative of a health maintenance organization to cease and desist from engaging in any act or practice in violation of the provisions of sections 62D.01 to 62D.30.

(1) The cease and desist order may direct a health maintenance organization to pay for or provide a service when that service is required by statute or rule to be provided.

(2) The ~~commissioner may issue a~~ cease and desist order ~~directing~~ may direct a health maintenance organization to pay for a service that is required by statute or rule to be provided, only if there is a demonstrable and irreparable harm to the public or an enrollee.

(3) If the cease and desist order involves a dispute over the medical necessity of a procedure based on its experimental nature, the commissioner may issue a cease and desist order only if the following conditions are met:

(i) the commissioner has consulted with appropriate and identified experts;

(ii) the commissioner has reviewed relevant scientific and medical literature; and

(iii) the commissioner has considered all other relevant factors including whether final approval of the technology or procedure has been granted by the appropriate government agency; the availability of scientific evidence concerning the effect of the technology or procedure on health outcomes; the availability of scientific evidence that the technology or procedure is as beneficial as established alternatives; and the availability of evidence of benefit or improvement without the technology or procedure.

(b) Within 20 days after service of the order to cease and desist, the respondent may request a hearing on the question of whether acts or practices in violation of sections 62D.01 to 62D.30 have occurred. Such hearings shall be subject to judicial review as provided by chapter 14.

If the acts or practices involve violation of the reporting requirements of section 62D.08, or if the commissioner has ordered the rehabilitation, liquidation, or conservation of the health maintenance organization in accordance with section 62D.18, the health maintenance organization may request an expedited hearing on the matter. The hearing shall be held within 15 days of the request. Within ten days thereafter, an administrative law judge shall issue a recommendation on the matter. The commissioner shall make a final determination on the matter within ten days of receipt of the administrative law judge's recommendation.

When a request for a stay accompanies the hearing request, the matter shall be referred to the office of administrative hearings within three working days of receipt of the request. Within ten days thereafter, an administrative law judge shall issue a recommendation to grant or deny the stay. The commissioner shall grant or deny the stay within five days of receipt of the administrative law judge's recommendation.

To the extent the acts or practices alleged do not involve (1) violations of section 62D.08; (2) violations which may result in the financial insolvency of the health maintenance organization; (3) violations which threaten the life and health of enrollees; (4) violations which affect whole classes of enrollees; or (5) violations of benefits or service requirements mandated by law; if a timely

request for a hearing is made, the cease and desist order shall be stayed for a period of 90 days from the date the hearing is requested or until a final determination is made on the order, whichever is earlier. During this stay, the respondent may show cause why the order should not become effective upon the expiration of the stay. Arguments on this issue shall be made through briefs filed with the administrative law judge no later than ten days prior to the expiration of the stay.

Subd. 5. In the event of noncompliance with a cease and desist order issued pursuant to subdivision 4, the commissioner ~~of health~~ may institute a proceeding to obtain injunctive relief or other appropriate relief in Ramsey county district court.

Sec. 32. Minnesota Statutes 1990, section 62D.18, is amended to read:

62D.18 [REHABILITATION OR LIQUIDATION OF HEALTH MAINTENANCE ORGANIZATION.]

Subdivision 1. [COMMISSIONER OF ~~HEALTH~~ COMMERCE; ORDER.] The commissioner ~~of health~~ may apply by verified petition to the district court of Ramsey county or the county in which the principal office of the health maintenance organization is located for an order directing the commissioner ~~of health~~ to rehabilitate or liquidate a health maintenance organization. The rehabilitation or liquidation of a health maintenance organization shall be conducted under the supervision of the commissioner ~~of health~~ under the procedures, and with the powers granted to a rehabilitator or liquidator, in chapter 60B, except to the extent that the nature of health maintenance organizations renders the procedures or powers clearly inappropriate and as provided in this subdivision or in chapter 60B. A health maintenance organization shall be considered an insurance company for the purposes of rehabilitation or liquidation as provided in subdivisions 4, 6, and 7.

Subd. 4. [POWERS OF REHABILITATOR.] The powers of the rehabilitator include, subject to the approval of the court the power to change premium rates, without the notice requirements of section 62D.07, and the power to amend the terms of provider contracts, and of contracts with participating entities for the provision of administrative, financial, or management services, relating to reimbursement and termination, considering the interests of providers and other contracting participating entities and the continued viability of the health plan.

If the court approves a contract amendment that diminishes the compensation of a provider or of a participating entity providing administrative, financial, or management services to the health maintenance organization, the amendment may not be effective for more than 60 days and shall not be renewed or extended.

Subd. 6. [SPECIAL EXAMINER.] The commissioner as rehabilitator shall make every reasonable effort to employ a senior executive from a successful health maintenance organization to serve as special examiner to rehabilitate the health maintenance organization, provided that the individual does not have a conflict of interest. The special examiner shall have all the powers of the rehabilitator granted under this section and section 60B.17.

Subd. 7. [EXAMINATION ACCOUNT.] The commissioner ~~of health~~ shall assess against a health maintenance organization not yet in rehabilitation or liquidation a fee sufficient to cover the costs of a special examination. The fee must be deposited in an examination account. Money in the account is appropriated to the commissioner ~~of health~~ to pay for the examinations. If the money in the account is insufficient to pay the initial costs of examinations, the commissioner may use other money appropriated to the commissioner, provided the other appropriation is reimbursed from the examination account when it contains sufficient money. Money from the examination account must be used to pay per diem salaries and expenses of special examiners, including meals, lodging, laundry, transportation, and mileage. The salary of regular employees ~~of the health department~~ must not be paid out of the account.

Sec. 33. Minnesota Statutes 1990, section 62D.19, is amended to read:

62D.19 [UNREASONABLE EXPENSES.]

No health maintenance organization shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner ~~of health~~ shall implement and enforce this section by rules adopted under this section.

In an effort to achieve the stated purposes of sections 62D.01 to 62D.30; in order to safeguard the underlying nonprofit status of health maintenance organizations; and to ensure that the payment of health maintenance organization money to major participating entities results in a corresponding benefit to the health maintenance organization and its enrollees, when determining whether an organization has incurred an unreasonable expense in relation to a major participating entity, due consideration shall be given to, in addition to any other appropriate factors, whether the officers and trustees of the health maintenance organization have acted with good faith and in the best interests of the health maintenance organization in entering into, and performing under, a contract under which the health maintenance organization has incurred an expense. The commissioner has standing to sue, on behalf of a health maintenance organization, officers or trustees of the health maintenance organization who have breached their fiduciary duty in entering into and performing such contracts.

Sec. 34. Minnesota Statutes 1990, section 62D.20, subdivision 1, is amended to read:

Subdivision 1. [RULEMAKING.] The commissioner and the commissioner of health may, pursuant to chapter 14, promulgate such reasonable rules as are necessary or proper to carry out the provisions of sections 62D.01 to 62D.30 that are within their respective jurisdictions. Included among ~~such~~ the rules shall be those which provide minimum requirements for the provision of comprehensive health maintenance services, as defined in section 62D.02, subdivision 7, and reasonable exclusions therefrom. Nothing in such rules shall force or require a health maintenance organization to provide elective, induced abortions, except as medically necessary to prevent the death of the mother, whether performed in a hospital, other abortion facility, or the office of a physician; the rules shall provide every health maintenance organization the option of excluding or including elective, induced abortions, except as medically necessary to prevent the death of the mother, as part of its comprehensive health maintenance services.

Sec. 35. Minnesota Statutes 1990, section 62D.21, is amended to read:

62D.21 [FEES.]

Every health maintenance organization subject to sections 62D.01 to 62D.30 shall pay to the commissioner ~~of health~~ fees as prescribed by the commissioner of health pursuant to section 144.122 for the following:

(a) Filing an application for a certificate of authority,

(b) Filing an amendment to a certificate of authority,

(c) Filing each annual report, and

(d) Other filings, as specified by rule.

Sec. 36. Minnesota Statutes 1990, section 62D.211, is amended to read:

62D.211 [RENEWAL FEE.]

Each health maintenance organization subject to sections 62D.01 to 62D.30 shall submit to the commissioner ~~of health~~ each year before June 15 a certificate of authority renewal fee in the amount of $10,000 each plus 20 cents per person enrolled in the health maintenance organization on December 31 of the preceding year. The commissioner may adjust the renewal fee in rule under the provisions of chapter 14.

Sec. 37. Minnesota Statutes 1990, section 62D.22, subdivision 10, is amended to read:

Subd. 10. Any person or committee conducting a review of a health maintenance organization or a participating entity, pursuant to sections 62D.01 to 62D.30, shall have access to any data or information necessary to conduct the review. All data or information is subject to admission into evidence in any civil action initiated by the commissioner ~~of health~~ against the health maintenance organization. The data and information are subject to chapter 13.

Sec. 38. Minnesota Statutes 1990, section 62D.24, is amended to read:

62D.24 [~~STATE COMMISSIONER OF HEALTH'S~~ AUTHORITY TO CONTRACT.]

The commissioner ~~of health~~, in carrying out the obligations under sections 62D.01 to 62D.30, may contract with the commissioner of ~~commerce~~ health or other qualified ~~persons~~ person to make recommendations concerning the determinations required to be made. Such recommendations may be accepted in full or in part by the commissioner of ~~health~~ commerce.

Sec. 39. Minnesota Statutes 1990, section 62D.30, subdivision 1, is amended to read:

Subdivision 1. The commissioner ~~of health~~ may establish demonstration projects to allow health maintenance organizations to extend coverage to:

(a) Individuals enrolled in Part A or Part B, or both, of the medicare program, Title XVIII of the Social Security Act, United States Code, title 42, section 1395 et seq.;

(b) Groups of fewer than 50 employees where each group is covered by a single group health policy;

(c) Individuals who are not eligible for enrollment in any group health maintenance contracts; and

(d) Low income population groups.

For purposes of this section, the commissioner ~~of health~~ may waive compliance with minimum benefits pursuant to sections 62A.151 and 62D.02, subdivision 7, full financial risk pursuant to section 62D.04, subdivision ~~1~~ 1a, clause ~~(f)~~ (b), open enrollment pursuant to section 62D.10, and to applicable rules if there is reasonable evidence that the rules prohibit the operation of the demonstration

project. The commissioner shall provide for public comment before any statute or rule is waived.

Sec. 40. Minnesota Statutes 1990, section 62D.30, subdivision 3, is amended to read:

Subd. 3. A health maintenance organization electing to participate in a demonstration project shall apply to the commissioner for approval on a form developed by the commissioner. The application shall include at least the following:

(a) A statement identifying the population that the project is designed to serve;

(b) A description of the proposed project including a statement projecting a schedule of costs and benefits for the enrollee;

(c) Reference to the sections of Minnesota Statutes and department of ~~health~~ commerce rules for which waiver is requested;

(d) Evidence that application of the requirements of applicable Minnesota Statutes and department of ~~health~~ commerce rules would, unless waived, prohibit the operation of the demonstration project;

(e) Evidence that another arrangement is available for assumption of full financial risk if full financial risk is waived under subdivision 1;

(f) An estimate of the number of years needed to adequately demonstrate the project's effects; and

(g) Other information the commissioner may reasonably require.

Sec. 41. [EFFECT OF TRANSFER OF AUTHORITY.]

Minnesota Statutes, section 15.039, subdivisions 1 to 6, apply to this act.

Sec. 42. [LEGISLATION.]

The commissioner of commerce shall study and make recommendations to the legislature by January 15, 1993 regarding recodification of the provider, treatment, disease, and access mandates contained in Minnesota Statutes, chapters 62A, 62C, 62D, 64B, 72A, and other law relating to health coverages.

Sec. 43. [APPROPRIATION; COMPLEMENT.]

$1,101,000 for fiscal year 1993 is appropriated from the general fund to the commissioner of commerce for purposes of this article. The approved complement of the department is increased by 11 positions.

Sec. 44. [REPEALER.]

Minnesota Statutes 1990, sections 62D.041, subdivision 4; and 62D.042, subdivision 3, are repealed effective January 1, 1994.

Sec. 45. [REVISOR INSTRUCTION.]

The revisor shall correct the internal references in Minnesota Statutes, chapter 62D, to correspond to the changes made in this article.

Sec. 46. [EFFECTIVE DATE.]

Sections 1 to 44 are effective January 1, 1993."

Delete page 143, line 28 to page 149, line 35 (Article 10), and insert:

"ARTICLE 10

FINANCING

Section 1. [16A.724] [HEALTH CARE ACCESS ACCOUNT.]

A health care access account is created in the general fund. The commissioner shall deposit to the credit of the account money made available to the account.

Sec. 2. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed $650 for each dependent in grades kindergarten to 6 and $1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; ~~and~~

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491; and

(8) to the extent not deducted in determining federal taxable income, the amount paid for health insurance of self-employed individuals as determined under section 162(l) of the Internal Revenue Code, except that the 25 percent limit does not apply. If the taxpayer deducted insurance payments under section 213 of the Internal Revenue Code of 1986, the subtraction under this clause must be reduced by the lesser of:

(i) the total itemized deductions allowed under section 63(d) of the Internal Revenue Code, less state, local, and foreign income taxes deductible under section 164 of the Internal Revenue Code and the standard deduction under section 63(c) of the Internal Revenue Code; or

(ii) the lesser of (A) the amount of insurance qualifying as "medical care" under section 213(d) of the Internal Revenue Code to the extent not deducted under section 162(1) of the Internal Revenue Code or excluded from income or (B) the total amount deductible for medical care under section 213(a).

Sec. 3. Minnesota Statutes 1990, section 290.06, is amended by adding a subdivision to read:

Subd. 2g. [HEALTH CARE SURTAX.] A surtax is imposed on the tax liability of individuals, trusts, and estates under subdivision 2c under the following schedules of rates for the following taxable years:

(1) for taxable years beginning after December 31, 1992, and before January 1, 1994:

(i) on $0 to $2,500 of tax, one percent; and

(ii) on all over $2,500 of tax, 2.5 percent; and

(2) for taxable years beginning after December 31, 1993, and before January 1, 1995:

(i) on $0 to $2,500 of tax, 2.5 percent; and

(ii) on all over $2,500 of tax, five percent;

(3) for taxable years beginning after December 31, 1994:

(i) on $0 to $2,500 of tax, five percent; and

(ii) on all over $2,500 of tax, ten percent.

Sec. 4. Minnesota Statutes 1990, section 290.62, is amended to read:

290.62 [DISTRIBUTION OF REVENUES.]

Subdivision 1. [GENERAL RULE.] Except as provided in subdivision 2, all revenues derived from the taxes, interest, penalties and charges under this chapter shall, notwithstanding any other provi-

sions of law, be paid into the state treasury and credited to the general fund, and be distributed as follows:

(1) There shall, notwithstanding any other provision of the law, be paid from this general fund all refunds of taxes erroneously collected from taxpayers under this chapter as provided herein;

(2) There is hereby appropriated to the persons entitled to payment herein, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Subd. 2. [HEALTH CARE ACCESS.] The commissioner shall estimate for each taxable year the revenue that is attributable to the health care surtax under section 3. These revenues, including interest, penalties, and charges, must be deposited in the health care access account in the general fund.

Sec. 5. Minnesota Statutes 1991 Supplement, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~21.5~~ 24 mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, ~~43~~ 48 mills on each such cigarette.

Sec. 6. Minnesota Statutes 1991 Supplement, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] The commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~1.1~~ one percent from the face amount of the stamps for the first $1,500,000 of such stamps purchased in any fiscal year; and at a discount of ~~.65~~ .60 percent on the remainder of such stamps purchased in any fiscal year. The commissioner shall not sell stamps to any other person. The commissioner may prescribe the method of shipment of the stamps to the distributor as well as the quantities of stamps purchased.

Sec. 7. [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES.] A floor stocks tax is imposed on every person engaged in business in this state as a distributor,

retailer, subjobber, vendor, manufacturer, or manufacturer's representative of cigarettes, on the stamped cigarettes in the person's possession or under the person's control at 12:01 a.m. on July 1, 1992. The tax is imposed at the following rates, subject to the discounts in Minnesota Statutes, section 297.03:

(1) on cigarettes weighing not more than three pounds per thousand, 2.5 mills on each cigarette; and

(2) on cigarettes weighing more than three pounds per thousand, five mills on each cigarette.

Each distributor, by July 8, 1992, shall file a report with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1992, and the amount of tax due on the cigarettes. The tax imposed by this section is due and payable by August 1, 1992, and after that date bears interest at the rate of one percent a month.

Each retailer, subjobber, vendor, manufacturer, or manufacturer's representative shall file a return with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1992, and pay the tax due thereon by August 1, 1992. Tax not paid by the due date bears interest at the rate of one percent a month.

Subd. 2. [AUDIT AND ENFORCEMENT.] The tax imposed by this section is subject to the audit, assessment, and collection provisions applicable to the taxes imposed under Minnesota Statutes, chapter 297C. The commissioner may require a distributor to receive and maintain copies of floor stock tax returns filed by all persons requesting a credit for returned cigarettes.

Subd. 3. [DEPOSIT OF PROCEEDS.] The revenue from the tax imposed under this section shall be deposited by the commissioner in the state treasury and credited to the health care access account in the general fund.

Sec. 8. [TEMPORARY DEPOSIT OF CIGARETTE TAX REVENUES.]

Notwithstanding the provisions of Minnesota Statutes, section 297.13, the revenue provided by 2.5 mills of the tax on cigarettes weighing not more than three pounds per thousand and five mills of the tax on cigarettes weighing more than three pounds per thousand must be credited to the health care access account in the general fund. This section applies only to revenue collected for sales after June 30, 1992, and before January 1, 1994. Revenue includes revenue from the tax, interest, and penalties collected under the provisions of Minnesota Statutes, sections 297.01 to 297.13.

This section expires June 30, 1994.

Sec. 9. [EFFECTIVE DATE.]

Sections 1, 4, 7, and 8 are effective the day following final enactment. Sections 2 and 3 are effective for taxable years beginning after December 31, 1992. Sections 5 and 6 are effective July 1, 1992."

Page 150, after line 22, insert:

"Sec. 2. [MA AND GMAC APPROPRIATION.]

In addition to the appropriations in section 1, $2,271,000 is appropriated from the general fund for the fiscal year ending June 30, 1993 to the commissioner of human services for the medical assistance and general assistance medical care program.

Sec. 3. [TRANSFER.]

The commissioner of finance shall transfer $4,971,000 from the health care access account to the general fund for the fiscal year ending June 30, 1993."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 3020, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Reported the same back with the following amendments:

Page 4, delete section 3

Renumber the sections in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1453, 1838, 1895, 1965, 1977, 1989, 2150, 2335, 2437, 2718, 2719, 2800 and 3020 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Wenzel introduced:

H. F. No. 3038, A bill for an act relating to retirement; purchase of service credit in the public employees retirement association by an ex-school board member of independent school district No. 482.

The bill was read for the first time and referred to the Committee on Governmental Operations.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2031, A bill for an act relating to taxation; property; providing for the valuation and assessment of vacant platted property; excluding certain unimproved land sales from sales ratio studies; amending Minnesota Statutes 1990, section 124.2131, subdivision 1; Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1.

The Senate has appointed as such committee:

Meses. Reichgott and Flynn and Mr. Price.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2694, A bill for an act relating to public administration; providing for the organization, operation, and administration of programs relating to state government, higher education, infrastructure and regulatory agencies, environment and natural resources, and human resources; making grants; imposing conditions; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 1990, sections 3.21; 3.736, subdivision 8; 5.14; 10A.31, subdivision 4; 15.0597, subdivision 4; 16A.45, by adding a subdivision; 16A.48, subdivision 1; 16B.85, subdivision 5; 17.03, by adding a subdivision; 18B.26, subdivision 3; 44A.0311; 60A.1701, subdivision 5; 69.031, subdivision 5; 72B.04, subdivision 10; 80A.28, subdivision 2; 82.21, subdivision 1; 82B.09, subdivision 1; 85.015, subdivision 7; 85A.04, subdivision 1; 89.035; 89.37, by adding a subdivision; 116J.9673, subdivision 4; 116P.11; 136A.121, by adding a subdivision; 136A.1354, subdivision 4; 136A.29, subdivision 9; 136C.04, by adding a subdivision; 136C.05, subdivision 5; 138.56, by adding a subdivision; 141.21, by adding a subdivision; 144.122; 144.123, subdivision 2; 144A.071, subdivision 2; 144A.073, subdivisions 3a and 5; 147.02, by adding a subdivision; 169.01, subdivision 55; 169.965, by adding a subdivision; 202A.19, subdivision 3; 204B.11, subdivision 1; 204B.27, subdivision 2; 204D.11, subdivisions 1 and 2; 237.701, subdivision 1; 240.14, subdivision 3; 245A.02, by adding a subdivision; 245A.13, subdivision 4; 252.025, subdivision 4; 254A.03, subdivision 2; 256.81; 256.9655; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.035; 256B.056, subdivisions 1a, 5, and by adding a subdivision; 256B.057, by adding a subdivision; 256B.0625, subdivision 9, and by adding subdivisions; 256B.064, by adding a subdivision; 256B.092, by adding a subdivision; 256B.14, subdivision 2; 256B.19, by adding a subdivision; 256B.36; 256B.41, subdivisions 1 and 2; 256B.421, subdivision 1; 256B.431, subdivisions 2i, 4, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.433, subdivisions 1, 2, and 3; 256B.48, subdivisions 1b, 3, and by adding a subdivision; 256B.495, subdivisions 1, 2, and by adding subdivisions; 256B.501, subdivision 3c, and by adding subdivisions; 256D.02, by adding subdivisions; 256D.03, by adding a subdivision; 256D.06, subdivision 5, and by adding a subdivision; 256E.05, by adding a subdivision; 256E.14; 256H.01, subdivision 9, and by adding a subdivision; 256H.10, subdivision 1; 256I.01; 256I.02; 256I.03, subdivisions 2 and 3; 256I.04, as amended; 256I.05, subdivisions 1, 3, 6, 8, 9, and by adding a subdivision; 256I.06; 257.67, subdivision 3; 270.063; 270.71; 298.221; 299E.01, subdivision 1; 340A.301, subdivision 6; 340A.302, subdivision 3; 340A.315, subdivision 1; 340A.317, subdivision 2; 340A.408, subdi-

vision 4; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.39; 345.42, subdivision 3; 352.04, subdivisions 2 and 3; 353.27, subdivision 13; 353.65, subdivision 7; 356.65, subdivision 1; 357.021, subdivision 1a; 357.022; 357.18, by adding a subdivision; 359.01, subdivision 3; 363.071, by adding a subdivision; 363.14, subdivision 3; 466.06; 490.123, by adding a subdivision; 514.67; 518.14; 518.171, subdivisions 1, 3, 4, and 6; 518.175, subdivision 1; 518.54, subdivision 4; 518.551, subdivisions 1, 7, 10, and by adding subdivisions; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 548.091, subdivision 1a; 588.20; 609.131, by adding a subdivision; 609.375, subdivisions 1 and 2; 609.5315, by adding a subdivision; 611.27, by adding subdivisions; and 626.861, subdivision 3; Minnesota Statutes 1991 Supplement, sections 16A.45, subdivision 1; 16A.723, subdivision 2; 17.63; 28A.08; 41A.09, subdivision 3; 43A.316, subdivision 9; 60A.14, subdivision 1; 84.0855; 89.37, subdivision 4; 121.936, subdivision 1; 135A.03, subdivisions 1a, 3a, and 7; 136A.121, subdivision 6; 136A.1353, subdivision 4; 144.50, subdivision 6; 144A.071, subdivisions 3 and 3a; 144A.31, subdivision 2a; 148.91, subdivision 3; 148.921, subdivision 2; 148.925, subdivisions 1, 2, and by adding a subdivision; 168.129, subdivisions 1 and 2; 182.666, subdivision 2; 214.101, subdivision 1; 240.13, subdivisions 5 and 6; 240.15, subdivision 6; 240.18, by adding a subdivision; 245A.03, subdivision 2; 252.28, subdivision 1; 252.46, subdivision 3; 252.50, subdivision 2; 254B.04, subdivision 1; 256.031, subdivision 3; 256.033, subdivisions 1, 2, 3, and 5; 256.034, subdivision 3; 256.035, subdivision 1; 256.0361, subdivision 2; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 2, 20, 21, and by adding a subdivision; 256.9751, subdivisions 1 and 6; 256B.0625, subdivision 13; 256B.0627, subdivision 5; 256B.064, subdivision 2; 256B.0911, subdivisions 3, 8, and by adding a subdivision; 256B.0913, subdivisions 4, 5, 8, 11, 12, and 14; 256B.0915, subdivision 3, and by adding subdivisions; 256B.0917, subdivisions 2, 3, 4, 5, 6, 7, 8, and 11; 256B.092, subdivision 4; 256B.431, subdivisions 2l and 3f; 256B.49, subdivision 4; 256B.74, subdivisions 1 and 3; 256D.03, subdivision 4; 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 256D.10; 256D.101, subdivision 3; 256H.03, subdivisions 4 and 6; 256H.05, subdivision 1b, and by adding a subdivision; 256I.05, subdivisions 1a, 1b, 2, and 10; 268.914, subdivision 2; 340A.311; 340A.316; 340A.504, subdivision 3; 349A.10, subdivision 3; 357.021, subdivision 2; 508.82; 508A.82; 518.551, subdivisions 5 and 12; 518.64, subdivisions 1, 2, and 5; 611.27, subdivision 7; and 626.861, subdivisions 1 and 4; Laws 1991, chapters 233, sections 2, subdivision 2; and 3; 254, article 1, sections 7, subdivision 5; and 14, subdivision 19; and 356, articles 1, section 5, subdivision 4; 2, section 6, subdivision 3; and 6, section 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 4A; 16B; 44A; 84; 136C; 137; 144; 144A; 241; 244; 245; 246; 252; 256B; 256I; 290; and 518; repealing Minnesota Statutes 1990, sections 41A.051; 84.0885; 84A.51, subdivisions 3 and 4; 89.036; 136A.143; 136C.13, subdivision 2; 141.21, subdivision 2; 144A.15, subdivision 6; 211A.04, subdivision 2; 245.0311; 245.0312; 246.14; 253B.14; 256B.056, subdivision 3a; 256B.495,

subdivision 3; 256I.05, subdivision 7; 270.185; and 609.37; Minnesota Statutes 1991 Supplement, sections 97A.485, subdivision 1a; 256.9657, subdivision 5; 256.969, subdivision 7; 256B.74, subdivisions 8 and 9; and 256I.05, subdivision 7a; Laws 1991, chapter 292, article 4, section 77.

The Senate has appointed as such committee:

Messrs. Luther, Kroening, Samuelson, Langseth and Frederickson, D. R.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2940, A bill for an act relating to the financing and operation of government in Minnesota; changing the funding and payment of certain aids to local governments; modifying the administration, computation, collection, and enforcement of taxes and refunds; changing tax rates, bases, credits, exemptions, and payments; reducing the amount in the budget and cash flow reserve account; updating references to the Internal Revenue Code; changing certain bonding provisions; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, and watershed districts; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 60A.19, subdivision 6; 103B.241; 103B.335; 103F.221, subdivision 3; 124.2131, subdivision 1; 174.27; 268.672, by adding subdivisions; 268.6751, subdivision 1; 268.676, subdivision 1; 268.677, subdivisions 1 and 2; 268.681, subdivisions 1, 2, and 3; 268.682, subdivisions 1, 2, and 3; 270.075, subdivision 1; 270A.05; 270A.07, subdivisions 1 and 2; 270A.11; 270B.01, subdivision 8; 271.06, subdivision 7; 272.115; 273.11, by adding subdivisions; 273.13, subdivision 24; 273.135, subdivision 2; 274.19, subdivision 8; 274.20, subdivisions 1, 2, and 4; 278.01, subdivision 2; 278.02; 282.01, subdivision 7; 282.012; 282.09, subdivision 1; 282.241; 282.36; 289A.25, by adding a subdivision; 289A.26, subdivisions 3, 4, 7, and 9; 289A.50, subdivision 5; 290.05, subdivision 4; 290.06, by adding a subdivision; 290.091, subdivision 6; 290.0922, subdivision 2; 290.9201, subdivision 11; 290.923, by adding a subdivision; 290A.03, subdivision 8; 290A.19; 290A.23; 297A.01, by adding a subdivision; 297A.02, by adding a subdivision; 297A.14, subdivision 1; 297A.15, subdivisions 5 and 6; 297A.25, subdivisions 11, 45, and by adding subdivisions; 297B.01, subdivision 8; 327C.01, by adding a subdivision; 327C.12; 373.40, subdivision 7; 383.06; 383B.152; 398A.06, subdivision 2; 401.02, subdivision 3; 401.05; 414.0325, by adding a subdivision; 414.033, subdivisions 2, 3, 5, and by adding a

subdivision; 462A.22, subdivision 1; 469.107, subdivision 2; 469.153, subdivision 2; 469.177, subdivision 1a; 471.571, subdivision 2; 473.388, subdivision 4; 473.446, subdivision 1; 473.711, subdivision 2; 473H.10, subdivision 3; 477A.013, subdivision 5; 477A.015; 477A.12; 477A.13; 488A.20, subdivision 4; 541.07; and 641.24; Minnesota Statutes 1991 Supplement, sections 4A.02; 16A.15, subdivision 6; 16A.711, subdivision 4; 47.209; 69.021, subdivisions 5 and 6; 124A.23, subdivision 1; 256.025, subdivisions 3 and 4; 256E.05, subdivision 3; 256E.09, subdivision 6; 270A.04, subdivision 2; 270A.08, subdivision 2; 271.21, subdivision 6; 272.02, subdivision 1; 273.11, subdivision 1; 273.124, subdivisions 1, 6, 9, and 13; 273.13, subdivisions 22 and 25, as amended; 273.1398, subdivisions 5 and 7; 273.1399; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 5 and 6j; 276.04, subdivision 2; 277.17; 278.01, subdivision 1; 278.05, subdivision 6; 279.01, subdivision 1; 279.03, subdivision 1a; 281.17; 289A.20, subdivisions 1 and 4; 289A.26, subdivisions 1 and 6; 290.01, subdivisions 19 and 19a; 290.06, subdivision 23; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 8; 290.0922, subdivision 1; 290.92, subdivision 23; 290A.04, subdivision 2h; 297A.01, subdivision 3; 297A.135, subdivision 1, and by adding a subdivision; 297A.21, subdivision 4; 297A.25, subdivision 12, as amended; 375.192, subdivision 2; 423A.02, subdivision 1a; and 477A.011, subdivisions 27 and 29; Laws 1971, chapter 773, sections 1, subdivision 2, as amended; and 2, as amended; Laws 1990, chapter 604, article 6, section 11; Laws 1991, chapter 291, articles 1, section 65; 2, section 3; and 7, section 27; proposing coding for new law in Minnesota Statutes, chapters 13; 60A; 207A; 216B; 268; 275; 289A; 290A; 297; 297A; 473F; and 477A; repealing Minnesota Statutes 1990, sections 60A.15, subdivision 6; 134.342, subdivisions 2 and 4; 268.6751, subdivision 2; 289A.12, subdivision 1; 290.48, subdivision 7; 297.32, subdivision 7; and 414.031, subdivision 5; Minnesota Statutes 1991 Supplement, sections 271.04, subdivision 2; 273.124, subdivision 15; 295.367; and 477A.03, subdivision 1.

The Senate has appointed as such committee:

Messrs. Johnson, D. J.; Pogemiller and Frederickson, D. J.; Mrs. Brataas and Ms. Reichgott.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2206, 2213, 2314, 2396, 2434 and 2743.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2206, A resolution memorializing Congress to allow doctors of chiropractic status as commissioned officers in the military.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

S. F. No. 2213, A bill for an act relating to commerce; regulating bank charters, the purchase and sale of property, relocations, loans, detached facilities, capital and surplus requirements, and clerical services; regulating the report and audit schedules and account insurance of credit unions; regulating business changes of industrial loan and thrifts; regulating business changes, license requirements, loan security, and interest rates of regulated lenders; providing special corporate voting and notice provisions for banking corporations; regulating investments in share certificates; authorizing credit unions to make reverse mortgage loans; regulating credit unions as depositories of various funds; authorizing the establishment of additional detached facilities in the cities of Duluth, Dover, Millville, and New Scandia; modifying real estate appraiser requirements; amending Minnesota Statutes 1990, sections 41B.19, subdivision 6; 46.041, subdivision 4; 46.044; 46.047, subdivision 2; 46.048, subdivision 3; 46.07, subdivision 2; 47.10; 47.101, subdivision 3; 47.20, subdivisions 2, 4a, and 5; 47.54; 47.55; 47.58, subdivision 1; 48.02; 48.64; 48.86; 48.89, subdivision 5; 49.34, subdivision 2; 50.14, subdivision 13; 52.06, subdivision 1; 52.24, subdivision 1; 53.03, subdivision 5; 53.09, subdivision 2; 56.04; 56.07; 56.12; 56.131, subdivision 4; 61A.09, subdivision 3; 62B.02, by adding a subdivision; 62B.04, subdivisions 1 and 2; 80A.14, subdivision 9; 82B.13, as amended; 116J.8765, subdivision 4; 118.01, subdivision 1; 118.10; 136.31, subdivision 6; 300.23; 300.52, subdivision 1; 332.13, subdivision 2; 356A.06, subdivision 6; 427.01; 446A.11, subdivision 9; 475.67, subdivision 5; Minnesota Statutes 1991 Supplement, sections 11A.24, subdivision 4; 48.512, subdivision 4; 52.04, subdivision 1; 82B.11, subdivisions 3 and 4; and 82B.14; repealing Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5.

The bill was read for the first time.

Skoglund moved that S. F. No. 2213 and H. F. No. 1680, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2314, A bill for an act relating to the city of Minneapolis; requiring an equitable participation by planning districts in neigh-

borhood revitalization programs; amending Minnesota Statutes 1990, section 469.1831, by adding a subdivision.

The bill was read for the first time.

Rice moved that S. F. No. 2314 and H. F. No. 2302, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2396, A bill for an act relating to retirement; first class city teachers; making various changes in administrative provisions of laws governing the first class city teachers retirement fund associations; providing authority for the Minneapolis teachers retirement fund association to amend its articles of incorporation to modify disability benefits for basic program members; amending Minnesota Statutes 1990, sections 354A.011, subdivisions 4, 8, 11, 12, 13, 15, 21, 24, and 27; 354A.021, subdivision 6; 354A.05; 354A.08; 354A.096; 354A.31, subdivision 3; 354A.36, subdivision 3; and 354A.38, subdivision 3; Minnesota Statutes 1991 Supplement, section 354A.011, subdivision 26; repealing Minnesota Statutes 1990, sections 354A.011, subdivision 2; and 354A.40, subdivisions 2 and 3.

The bill was read for the first time.

O'Connor moved that S. F. No. 2396 and H. F. No. 2474, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2434, A bill for an act relating to retirement; providing continued coverage in the Minnesota state retirement system for certain employees; amending Minnesota Statutes 1990, sections 352.01, subdivision 2a; and 352.04, subdivision 6.

The bill was read for the first time.

Simoneau moved that S. F. No. 2434 and H. F. No. 2601, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2743, A bill for an act relating to insurance; regulating Medicare supplement; making various changes in state law required by the federal government; regulating coverages and practices; regulating the Minnesota comprehensive health association; increasing the maximum lifetime benefit amounts of certain state plan coverages; extending the effective date of the authorization of use of experimental delivery methods; amending Minnesota Statutes 1990, sections 62A.31, by adding subdivisions; 62A.315;

62A.36, subdivision 1; 62A.38; 62A.39; 62A.42; 62A.436; 62A.44; and 62E.07; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 62A.316; 62E.10, subdivision 9; and 62E.12; proposing coding for new law in Minnesota Statutes, chapter 62A.

The bill was read for the first time.

Skoglund moved that S. F. No. 2743 and H. F. No. 1791, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Welle, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for Thursday, April 9, 1992:

H. F. Nos. 1997, 2501 and 1791; S. F. No. 2380; H. F. Nos. 2773 and 2261; S. F. Nos. 2185, 2694, 522, 1805, 2088 and 2547; H. F. No. 2001; S. F. Nos. 1801 and 1938; H. F. No. 2265; S. F. Nos. 2194 and 1729; H. F. No. 2025; S. F. Nos. 1935 and 1590; H. F. No. 217; S. F. Nos. 2111 and 2499; H. F. No. 2804; and S. F. No. 979.

SPECIAL ORDERS

S. F. No. 2298 was reported to the House.

Peterson moved that S. F. No. 2298 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 512 was reported to the House.

Bertram moved that S. F. No. 512 be continued on Special Orders. The motion prevailed.

H. F. No. 2147 was reported to the House.

Dawkins moved to amend H. F. No. 2147, the first engrossment, as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 16B.61, subdivision 3, is amended to read:

Subd. 3. [SPECIAL REQUIREMENTS.] (a) [SPACE FOR COMMUTER VANS.] The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) [DOORS IN NURSING HOMES AND HOSPITALS.] The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) [CHILD CARE FACILITIES IN CHURCHES; GROUND LEVEL EXIT.] A licensed day care center serving fewer than 30 preschool age persons and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) [CHILD CARE FACILITIES IN CHURCHES; VERTICAL ACCESS.] Until August 1, 1996, an organization providing child care in an existing church building which is exempt from taxation under section 272.02, subdivision 1, clause (5), shall have five years from the date of initial licensure under chapter 245A to provide interior vertical access, such as an elevator, to persons with disabilities as required by the state building code. To obtain the extension, the organization providing child care must secure a $2,500 performance bond with the commissioner of human services to ensure that interior vertical access is achieved by the agreed upon date.

(f) [FAMILY AND GROUP FAMILY DAY CARE.] The commissioner of administration shall establish a task force to determine occupancy standards specific and appropriate to family and group family day care homes and to examine hindrances to establishing day care facilities in rural Minnesota. The task force must include representatives from rural and urban building code inspectors, rural and urban fire code inspectors, rural and urban county day care licensing units, rural and urban family and group family day care

providers and consumers, child care advocacy groups, and the departments of administration, human services, and public safety.

By January 1, 1989, the commissioner of administration shall report the task force findings and recommendations to the appropriate legislative committees together with proposals for legislative action on the recommendations.

Until the legislature enacts legislation specifying appropriate standards, the definition of Group R-3 occupancies in the state building code applies to family and group family day care homes licensed by the department of human services under Minnesota Rules, chapter 9502.

(g) [MINED UNDERGROUND SPACE.] Nothing in the state building codes shall prevent cities from adopting rules governing the excavation, construction, reconstruction, alteration, and repair of mined underground space pursuant to sections 469.135 to 469.141, or of associated facilities in the space once the space has been created, provided the intent of the building code to establish reasonable safeguards for health, safety, welfare, comfort, and security is maintained.

(h) [ENCLOSED STAIRWAYS.] No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(i) [DOUBLE CYLINDER DEAD BOLT LOCKS.] No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(j) [RELOCATED RESIDENTIAL BUILDINGS.] A residential building relocated within or into a political subdivision of the state need not comply with the state energy code or section 326.371 provided that, where available, an energy audit is conducted on the relocated building.

(k) [AUTOMATIC GARAGE DOOR OPENING SYSTEMS.] The code must require all residential buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82 and 325F.83.

(l) [EXIT SIGN ILLUMINATION.] The code must prohibit the use of incandescent bulbs, except for battery-powered back-up bulbs, in internally illuminated exit signs. A requirement for multiple lamps

in an internally illuminated exit sign is waived if the exit sign is equipped or retrofitted with a fluorescent lamp."

Page 4, after line 20, insert:

"Sec. 5. Minnesota Statutes 1991 Supplement, section 299F.011, subdivision 4c, is amended to read:

Subd. 4c. [EXIT SIGN ILLUMINATION.] The uniform fire code must prohibit the use of incandescent bulbs, except for battery-powered back-up bulbs, in internally illuminated exit signs. A requirement for multiple lamps in an internally illuminated exit sign is waived if the exit sign is equipped or retrofitted with a fluorescent lamp."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Wagenius and Thompson moved to amend H. F. No. 2147, the first engrossment, as amended, as follows:

Page 1, line 14, after the semicolon, insert "or"

Page 1, delete lines 15 to 16

Page 1, line 17, delete "(4)" and insert "(2)"

Page 1, after line 17, insert:

"A person may not knowingly place mercury or a thermostat, thermometer, electric switch, appliance, or medical or scientific instrument from which the mercury has not been removed for reuse or recycling:

(1) in a solid waste processing facility; or

(2) in a solid waste disposal facility."

Page 2, line 17, before the period insert ", except for traces of materials that may inadvertently pass through a filtration system during a dental procedure"

Page 2, line 18, delete "person" and insert "manufacturer or wholesaler may not advertise for sale or sell and a retailer may not knowingly"

Page 3, line 1, delete "installing" and insert "replacing"

Page 3, line 29, after the period insert "This paragraph does not apply to a person who incidentally sells fluorescent or high intensity discharge lamps at retail to the specified purchasers."

Page 4, delete subdivision 8

Page 4, line 14, delete "9" and insert "8"

Page 4, line 15, before "contains" insert "the person knows"

Page 4, line 17, delete "10" and insert "9"

Page 4, line 29, delete everything after "replaced"

Page 4, line 30, delete everything before "are"

Page 4, line 35, after "7," insert "and"

Page 4, line 36, delete ", and 9"

Page 5, line 1, before the period insert "and subdivision 3 applies to items manufactured on and after that date"

The motion prevailed and the amendment was adopted.

H. F. No. 2147, A bill for an act relating to the environment; banning placement of mercury in solid waste; regulating the sale and use of mercury; requiring recycling of mercury in certain products; altering exit sign requirements in the state building and fire codes; amending Minnesota Statutes 1991 Supplement, sections 16B.61, subdivision 3; 115A.9561, subdivision 2; and 299F.011, subdivision 4c; proposing coding for new law in Minnesota Statutes, chapters 115A and 116.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Anderson, R.	Battaglia	Beard	Bettermann
Anderson, I.	Anderson, R. H.	Bauerly	Begich	Bishop

Blatz	Hanson	Lasley	Onnen	Smith
Bodahl	Hartle	Leppik	Orenstein	Solberg
Boo	Hasskamp	Lieder	Orfield	Sparby
Brown	Haukoos	Limmer	Osthoff	Stanius
Carlson	Hausman	Lourey	Ostrom	Steensma
Carruthers	Heir	Lynch	Ozment	Sviggum
Clark	Henry	Macklin	Pauly	Swenson
Cooper	Hufnagle	Mariani	Pellow	Thompson
Dauner	Hugoson	McEachern	Pelowski	Tompkins
Davids	Jacobs	McGuire	Peterson	Trimble
Dawkins	Janezich	McPherson	Pugh	Tunheim
Dempsey	Jaros	Milbert	Reding	Uphus
Dille	Jefferson	Morrison	Rest	Valento
Dorn	Jennings	Munger	Rice	Vanasek
Erhardt	Johnson, A.	Murphy	Rodosovich	Vellenga
Farrell	Johnson, R.	Nelson, K.	Rukavina	Wagenius
Frederick	Johnson, V.	Nelson, S.	Runbeck	Waltman
Frerichs	Kahn	Newinski	Sarna	Weaver
Garcia	Kalis	O'Connor	Schafer	Wejcman
Girard	Kinkel	Ogren	Schreiber	Welker
Goodno	Knickerbocker	Olsen, S.	Seaberg	Welle
Greenfield	Koppendrayer	Olson, E.	Segal	Wenzel
Gruenes	Krambeer	Olson, K.	Simoneau	Winter
Gutknecht	Krinkie	Omann	Skoglund	Spk. Long

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

S. F. No. 1716 was reported to the House.

Bishop moved to amend S. F. No. 1716, the unofficial engrossment, as follows:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 204B.16, subdivision 2, is amended to read:

Subd. 2. [SINGLE POLLING PLACE PERMITTED.] The governing body of any city of the third or fourth class or any town having more than one precinct or of any city with territory in more than one county may by ordinance or resolution designate a single, accessible, centrally located polling place where all the voters of the city or town shall cast their ballots. A single polling place may also be established for two or more precincts combined in the manner provided in section 204B.14, subdivision 6 8. A single board of election judges may be appointed to serve at this polling place. The number of election judges appointed shall be determined by considering the number of voters in the entire city or town as if they were voters in a single precinct. Separate ballot boxes shall be provided and separate returns made for each precinct in the city or town."

Page 1, line 6, delete "Section 1" and insert "Sec. 2."

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

Page 2, line 1, delete "3" and insert "4"

Page 2, line 8, delete "4" and insert "5"

Page 2, line 22, delete "5" and insert "6"

Page 2, line 23, delete "This act takes" and insert "Sections 2 to 5 take"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1716, A bill for an act relating to Olmsted county; permitting the appointment of the recorder; authorizing the abolishment and reorganization of the office.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 77 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Koppendrayer	Ogren	Schreiber
Anderson, R. H.	Goodno	Lasley	Olsen, S.	Segal
Battaglia	Greenfield	Lieder	Olson, E.	Simoneau
Beard	Gruenes	Limmer	Orenstein	Skoglund
Bishop	Hanson	Lourey	Orfield	Stanius
Blatz	Hausman	Lynch	Osthoff	Swenson
Bodahl	Henry	Mariani	Ostrom	Trimble
Boo	Jacobs	McEachern	Ozment	Valento
Carlson	Janezich	McGuire	Pauly	Vanasek
Carruthers	Jaros	Milbert	Pellow	Vellenga
Clark	Jefferson	Morrison	Pugh	Wagenius
Cooper	Johnson, A.	Munger	Reding	Wejcman
Dawkins	Kahn	Murphy	Rest	Spk. Long
Dempsey	Kelso	Nelson, K.	Rukavina	
Dorn	Kinkel	Newinski	Runbeck	
Farrell	Knickerbocker	O'Connor	Sarna	

Those who voted in the negative were:

Abrams	Frederick	Jennings	Pelowski	Thompson
Anderson, R.	Frerichs	Johnson, R.	Peterson	Tompkins
Bauerly	Girard	Johnson, V.	Rice	Uphus
Bertram	Gutknecht	Kalis	Schafer	Waltman
Bettermann	Hartle	Krambeer	Seaberg	Weaver
Brown	Hasskamp	Krueger	Smith	Welker
Dauner	Haukoos	Leppik	Solberg	Welle
Davids	Heir	McPherson	Sparby	Wenzel
Dille	Hufnagle	Omann	Steensma	Winter
Erhardt	Hugoson	Onnen	Sviggum	

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

H. F. No. 1997, A bill for an act relating to retirement; higher education individual retirement account plan; amending Minnesota Statutes 1990, sections 354B.04, subdivision 1; and 354B.05, subdivision 1; Minnesota Statutes 1991 Supplement, section 354B.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 354B.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olson, E.	Smith
Anderson, I.	Frerichs	Kinkel	Omann	Solberg
Anderson, R. H.	Garcia	Knickerbocker	Onnen	Sparby
Battaglia	Girard	Koppendrayer	Orenstein	Stanius
Bauerly	Goodno	Krambeer	Orfield	Steensma
Beard	Greenfield	Krinkie	Osthoff	Sviggum
Begich	Gruenes	Krueger	Ostrom	Swenson
Bertram	Gutknecht	Lasley	Ozment	Thompson
Bettermann	Hanson	Leppik	Pauly	Tompkins
Bishop	Hartle	Lieder	Pellow	Trimble
Blatz	Hasskamp	Limmer	Pelowski	Tunheim
Bodahl	Haukoos	Lourey	Peterson	Uphus
Boo	Hausman	Lynch	Pugh	Valento
Brown	Heir	Macklin	Reding	Vanasek
Carlson	Henry	Mariani	Rest	Vellenga
Carruthers	Hugoson	McEachern	Rice	Wagenius
Clark	Jacobs	McGuire	Rodosovich	Waltman
Cooper	Janezich	McPherson	Rukavina	Weaver
Dauner	Jaros	Milbert	Runbeck	Wejcman
Davids	Jefferson	Morrison	Sarna	Welker
Dawkins	Jennings	Munger	Schafer	Welle
Dempsey	Johnson, A.	Nelson, K.	Schreiber	Wenzel
Dille	Johnson, R.	Nelson, S.	Seaberg	Winter
Dorn	Johnson, V.	Newinski	Segal	Spk. Long
Erhardt	Kahn	O'Connor	Simoneau	
Farrell	Kalis	Olsen, S.	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 2501 was reported to the House.

Dawkins, Morrison, Bodahl and Simoneau moved to amend H. F. No. 2501, the first engrossment, as follows:

Page 3, line 26, strike everything after the period

Page 3, lines 27 to 35, delete the new language and strike the old language

Page 3, after line 35, insert:

"Sec. 4. Minnesota Statutes 1990, section 462A.05, is amended by adding a subdivision to read:

Subd. 38. [NEIGHBORHOOD LAND TRUSTS.] The agency may make loans with or without interest for the purpose of funding neighborhood land trusts under sections 462A.30 and 462A.31 from monies other than state general obligation bond proceeds. To assure the long-term affordability of housing provided by the neighborhood land trust, the neighborhood land trust must own the land acquired in whole or in part with a loan from the agency under this section under terms and conditions determined by the agency. The agency may convert the loan to a grant under circumstances approved by the agency."

Page 5, after line 7, insert:

"Sec. 7. Minnesota Statutes 1990, section 462A.202, subdivision 1, is amended to read:

Subdivision 1. [ACCOUNT.] The local government unit housing account is established as a separate account in the housing development fund. Money in the account is appropriated to the agency for loans to cities for the purposes specified in this section. The agency must take steps to ensure distribution of the funds around the state."

Page 5, line 11, strike "local government units" and insert "cities"

Page 5, line 16, strike "local government"

Page 5, line 17, strike "units" and insert "cities"

Page 5, line 19, strike everything after the period

Page 5, lines 20 to 36, strike the old language and delete the new language

Page 6, lines 1 to 7, strike the old language and delete the new language and insert "Loans under this subdivision are subject to the restrictions in section 10."

Page 6, after line 7, insert:

"Sec. 9. Minnesota Statutes 1990, section 462A.202, is amended by adding a subdivision to read:

Subd. 6. [NEIGHBORHOOD LAND TRUSTS.] The agency may make loans with or without interest to cities to finance the capital costs of a land trust project undertaken pursuant to sections 462A.30 and 462A.31. Loans under this subdivision are subject to the restrictions in section 10.

Sec. 10. Minnesota Statutes 1990, section 462A.202, is amended by adding a subdivision to read:

Subd. 7. [RESTRICTIONS.] (a) Except as provided in paragraphs (b), (c), and (d), the city must own the property financed with a loan under this section and use the property for the purposes specified in this section:

(1) the city may sell the property at its fair market value provided it repays the lesser of the net proceeds of the sale or the amount of the loan balance to the agency for deposit in the local government unit housing account; or

(2) the city may use the property for a different purpose provided that the city repays the amount of the original loan.

If the city owns and uses the property for the purposes specified in this section for a 20-year period, the agency shall forgive the loan.

(b) In cases where the property consists of land only, including land on which buildings acquired with a loan under this section are demolished by the city, the city may lease the property for a term not to exceed 99 years to a nonprofit corporation to use for the purposes specified in this section.

(c) In cases where the property consists of land and buildings, the city may do the following:

(1) demolish the buildings in whole or in part and use or lease the property under paragraph (b);

(2) sell the buildings to a nonprofit corporation to use for the purposes specified in this section. If sold, the city must sell the buildings for fair market value and repay the proceeds of the sale to the agency for deposit in the local government unit housing account;

(3) lease the buildings to a nonprofit corporation to use for the purposes specified in this section. If leased, except as provided in paragraph (d), the annual rental must equal the amount of the loan attributable to the cost of the buildings, divided by the number of years of useful life of the buildings as determined in accordance with generally accepted accounting principles. For purposes of determining the required rental, the purchase price of land and buildings

must be allocated between them based on standard valuation procedures; or

(4) contract with a nonprofit organization to manage the property.

(d) A city may lease a building to a nonprofit organization for a nominal amount under the following conditions:

(1) the lease does not exceed ten years;

(2) the city must have the option to cancel the lease with or without cause at the end of any three-year period; and

(3) the city must determine annually that the property is being used for the purposes specified in this section and that the terms of the lease, including any income limits for residents, are being met."

Page 6, line 18, delete the colon and insert "a city or"

Page 6, line 19, delete "(1)"

Page 6, line 22, reinstate the stricken language and delete the new language

Page 6, delete lines 23 to 25

Page 6, line 26, delete the paragraph coding

Page 7, line 3, delete everything after "CITY" and insert "LAND TRUST.]"

Page 7, delete lines 4 and 5

Page 7, line 6, delete "authority" and insert "A city" and after "may" insert "by resolution determine to"

Page 7, line 7, delete everything after the period

Page 7, delete lines 8 to 10

Page 7, line 28, delete "section" and insert "sections"

Page 7, line 29, after the semicolon insert "and 462A.202, subdivisions 3, 4, and 5;"

Page 7, line 32, delete ", 6, 7, and 9" and insert "to 18"

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 9, after "14a" insert ", and by adding a subdivision"

Page 1, line 10, delete the second "subdivision" and insert "subdivisions 1," and after "2" insert ", and by adding subdivisions"

The motion prevailed and the amendment was adopted.

The Speaker called Krueger to the Chair.

Clark moved to amend H. F. No. 2501, the first engrossment, as amended, as follows:

Page 2, after line 23, insert:

"Sec. 2. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 20a, is amended to read:

Subd. 20a. [SPECIAL NEEDS HOUSING FOR CHEMICALLY DEPENDENT ADULTS.] (a) The agency may make loans or grants to for-profit, limited-dividend, or nonprofit sponsors, as defined by the agency, for residential housing to be used to provide ~~temporary or transitional~~ housing to low- and moderate-income persons ~~and families having an immediate need for temporary or transitional housing as a result of natural disaster, resettlement, condemnation, displacement, lack of habitable housing, or other cause defined by the agency~~ who are chronic chemically dependent adults.

(b) ~~Loans or grants for housing for chronic chemically dependent adults may be made under this subdivision.~~ Housing for chronic chemically dependent adults must satisfy the following conditions:

(1) be certified by the department of health or the city as a board and lodging facility or single residence occupancy housing;

(2) meet all applicable health, building, fire safety, and zoning requirements;

(3) be located in an area significantly distant from the present location of county detoxification service sites;

(4) make available the services of trained personnel to appraise each client before or upon admission and to provide information

about medical, job training, and chemical dependency services as necessary;

(5) provide on-site security designed to assure the health and safety of clients, staff, and neighborhood residents; and

(6) operate with the guidance of a neighborhood-based board.

Priority for loans and grants made under this paragraph must be given to proposals that address the needs of the Native American population and veterans of military services for this type of housing.

(c) Loans or grants pursuant to this subdivision must not be used for facilities that provide housing available for occupancy on less than a 24-hour continuous basis. To the extent possible, a sponsor shall combine the loan or grant with other funds obtained from public and private sources. In making loans or grants, the agency shall determine the circumstances, terms, and conditions under which all or any portion of the loan or grant will be repaid and the appropriate security should repayment be required."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Schreiber moved to amend the Clark amendment to H. F. No. 2501, the first engrossment, as amended, as follows:

Page 1, line 9, reinstate the stricken "temporary"

Page 1, line 10, reinstate the stricken "or transitional"

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Clark amendment and the roll was called. There were 79 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Beard	Carlson	Dauner	Greenfield
Anderson, R.	Begich	Carruthers	Dawkins	Hanson
Battaglia	Bertram	Clark	Farrell	Hasskamp
Bauerly	Bodahl	Cooper	Garcia	Hausman

Heir	Krueger	O'Connor	Rice	Thompson
Jacobs	Lasley	Ogren	Rodosovich	Trimble
Janezich	Lieder	Olson, E.	Rukavina	Tunheim
Jaros	Lourey	Olson, K.	Sarna	Vanasek
Jefferson	Mariani	Onnen	Schreiber	Vellenga
Jennings	McEachern	Orenstein	Segal	Wagenius
Johnson, A.	McGuire	Orfield	Simoneau	Wejcman
Johnson, R.	Milbert	Osthoff	Skoglund	Welle
Kahn	Munger	Peterson	Smith	Wenzel
Kalis	Murphy	Pugh	Solberg	Winter
Kelso	Nelson, K.	Reding	Sparby	Spk. Long
Kinkel	Nelson, S.	Rest	Steensma	

Those who voted in the negative were:

Abrams	Frederick	Johnson, V.	Olsen, S.	Sviggum
Anderson, R. H.	Frerichs	Koppendrayer	Omann	Swenson
Bettermann	Girard	Krambeer	Ostrom	Tompkins
Blatz	Goodno	Krinkie	Ozment	Uphus
Boo	Gruenes	Leppik	Pauly	Valento
Brown	Gutknecht	Limmer	Pellow	Waltman
Davids	Hartle	Lynch	Pelowski	Weaver
Dempsey	Haukoos	Macklin	Runbeck	Welker
Dille	Henry	McPherson	Schafer	
Dorn	Hufnagle	Morrison	Seaberg	
Erhardt	Hugoson	Newinski	Stanius	

The motion prevailed and the amendment was adopted.

H. F. No. 2501, A bill for an act relating to housing; modifying provisions of rehabilitation loans, loans and grants for housing for chemically dependent adults, lease-purchase housing, and urban and rural homesteading; limiting use of emergency rules; modifying limitations on the use of bond proceeds; modifying provisions of publicly-owned transitional housing program; modifying provisions for neighborhood land trusts; amending Minnesota Statutes 1990, sections 462A.05, subdivision 14a, and by adding a subdivision; 462A.06, subdivision 11; and 462A.202, subdivisions 1, 2, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 462A.05, subdivisions 20a, 36, and 37; 462A.073, subdivision 2; 462A.30, subdivisions 6, 8, and 9; and 462A.31, by adding subdivisions; repealing Minnesota Statutes 1990, sections 462A.057, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, and 10; and 462A.202, subdivisions 3, 4, and 5; and Laws 1991, chapter 292, article 9, section 35.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 95 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Beard	Blatz	Carlson	Dauner
Anderson, R.	Begich	Bodahl	Carruthers	Davids
Battaglia	Bertram	Boo	Clark	Dawkins
Bauerly	Bishop	Brown	Cooper	Dorn

Erhardt	Jennings	Milbert	Pelowski	Steensma
Farrell	Johnson, A.	Morrison	Peterson	Swenson
Garcia	Johnson, R.	Munger	Pugh	Thompson
Goodno	Kahn	Murphy	Reding	Tompkins
Greenfield	Kalis	Nelson, K.	Rest	Trimble
Gruenes	Kelso	Nelson, S.	Rice	Tunheim
Hanson	Kinkel	Ogren	Rodosovich	Vanasek
Hasskamp	Krambeer	Olson, E.	Rukavina	Vellenga
Hausman	Krueger	Olson, K.	Runbeck	Wagenius
Heir	Lasley	Omann	Sarna	Weaver
Henry	Lieder	Orenstein	Segal	Wejcman
Jacobs	Lourey	Orfield	Simoneau	Welle
Janezich	Lynch	Osthoff	Skoglund	Wenzel
Jaros	Mariani	Ostrom	Solberg	Winter
Jefferson	McGuire	Pauly	Sparby	Spk. Long

Those who voted in the negative were:

Abrams	Gutknecht	Krinkie	Ozment	Uphus
Anderson, R. H.	Hartle	Leppik	Pellow	Valento
Bettermann	Haukoos	Limmer	Schafer	Waltman
Dempsey	Hufnagle	Macklin	Schreiber	Welker
Dille	Hugoson	McPherson	Seaberg	
Frederick	Johnson, V.	Newinski	Smith	
Frerichs	Knickerbocker	Olsen, S.	Stanius	
Girard	Koppendrayer	Onnen	Sviggum	

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

S. F. No. 2298 which was temporarily laid over earlier today was again reported to the House.

Runbeck, Seaberg, Swenson, Macklin, Stanius and Pauly offered an amendment to S. F. No. 2298.

POINT OF ORDER

Osthoff raised a point of order pursuant to rule 3.09 that the Runbeck et al amendment was not in order. Speaker pro tempore Krueger ruled the point of order well taken and the amendment out of order.

Hanson and Beard offered an amendment to S. F. No. 2298.

POINT OF ORDER

Sviggum raised a point of order pursuant to rule 3.09 that the Hanson and Beard amendment was not in order. Speaker pro

tempore Krueger ruled the point of order well taken and the amendment out of order.

S. F. No. 2298, A bill for an act relating to watershed districts; requiring counties to provide public notice prior to making watershed district manager appointments; modifying requirements for appointing watershed district managers; exempting watershed districts from permit fees charged by political subdivisions; requiring watershed district audits by certified public accountants or the state auditor under certain circumstances; clarifying procedures for appealing watershed district decisions; allowing recovery of attorney fees; amending Minnesota Statutes 1990, sections 103D.311, subdivisions 2 and 3; 103D.335, by adding a subdivision; 103D.355, subdivision 1; 103D.535, subdivision 1; and 103D.545, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103D.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Kinkel	Olson, E.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Stanius
Battaglia	Goodno	Krambeer	Onnen	Steensma
Bauerly	Greenfield	Krinkie	Orenstein	Sviggum
Beard	Gruenes	Krueger	Orfield	Swenson
Begich	Gutknecht	Lasley	Osthoff	Thompson
Bertram	Hanson	Leppik	Ostrom	Tompkins
Bettermann	Hartle	Lieder	Ozment	Trimble
Bishop	Hasskamp	Limmer	Pauly	Tunheim
Blatz	Haukoos	Lourey	Pellow	Uphus
Bodahl	Hausman	Lynch	Pelowski	Valento
Boo	Heir	Macklin	Peterson	Vanasek
Brown	Henry	Mariani	Pugh	Vellenga
Carlson	Hufnagle	McEachern	Reding	Wagenius
Carruthers	Hugoson	McGuire	Rest	Waltman
Clark	Jacobs	McPherson	Rice	Weaver
Cooper	Janezich	Milbert	Rodosovich	Wejcman
Dauner	Jaros	Morrison	Rukavina	Welker
Davids	Jefferson	Munger	Runbeck	Welle
Dawkins	Jennings	Murphy	Sarna	Wenzel
Dempsey	Johnson, A.	Nelson, K.	Schafer	Winter
Dille	Johnson, R.	Nelson, S.	Schreiber	Spk. Long
Dorn	Johnson, V.	Newinski	Seaberg	
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Ogren	Simoneau	

The bill was passed and its title agreed to.

S. F. No. 2380, A bill for an act relating to the legislature; requiring committees and commissions of the legislature to consider the effect of proposed legislation on the state's science and technology policy; proposing coding for new law in Minnesota Statutes, chapter 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Knickerbocker	Olson, K.	Solberg
Anderson, I.	Garcia	Koppendrayer	Omann	Sparby
Anderson, R.	Girard	Krambeer	Onnen	Stanius
Battaglia	Goodno	Krinkie	Orenstein	Steensma
Bauerly	Greenfield	Krueger	Orfield	Sviggum
Beard	Gruenes	Lasley	Osthoff	Swenson
Begich	Gutknecht	Leppik	Ostrom	Thompson
Bertram	Hanson	Lieder	Ozment	Tompkins
Bettermann	Hartle	Limmer	Pauly	Trimble
Bishop	Hasskamp	Lourey	Pellow	Tunheim
Blatz	Haukoos	Lynch	Pelowski	Uphus
Bodahl	Heir	Macklin	Peterson	Valento
Boo	Henry	Mariani	Pugh	Vanasek
Brown	Hufnagle	McEachern	Reding	Vellenga
Carlson	Hugoson	McGuire	Rest	Wagenius
Carruthers	Jacobs	McPherson	Rice	Waltman
Clark	Janezich	Milbert	Rodosovich	Weaver
Cooper	Jaros	Morrison	Rukavina	Wejcman
Dauner	Jefferson	Munger	Runbeck	Welker
Davids	Jennings	Murphy	Sarna	Welle
Dawkins	Johnson, A.	Nelson, K.	Schafer	Wenzel
Dempsey	Johnson, R.	Nelson, S.	Schreiber	Winter
Dille	Johnson, V.	Newinski	Seaberg	Spk. Long
Dorn	Kahn	O'Connor	Segal	
Erhardt	Kalis	Ogren	Simoneau	
Farrell	Kelso	Olsen, S.	Skoglund	
Frederick	Kinkel	Olson, E.	Smith	

The bill was passed and its title agreed to.

H. F. No. 2773, A bill for an act relating to housing and redevelopment authorities; permitting use of general obligation bonds for housing development projects; amending Minnesota Statutes 1990, section 469.034.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Kinkel	Olson, E.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krambeer	Onnen	Stanius
Bauerly	Greenfield	Krinkie	Orenstein	Steensma
Beard	Gruenes	Krueger	Orfield	Sviggum
Begich	Gutknecht	Lasley	Osthoff	Swenson
Bertram	Hanson	Leppik	Ostrom	Thompson
Bettermann	Hartle	Lieder	Ozment	Tompkins
Bishop	Hasskamp	Limmer	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vanasek
Carlson	Hufnagle	McEachern	Reding	Vellenga
Carruthers	Hugoson	McGuire	Rest	Wagenius
Clark	Jacobs	McPherson	Rice	Waltman
Cooper	Janezich	Milbert	Rodosovich	Weaver
Dauner	Jaros	Morrison	Rukavina	Wejcman
Davids	Jefferson	Munger	Runbeck	Welker
Dawkins	Jennings	Murphy	Sarna	Welle
Dempsey	Johnson, A.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, R.	Nelson, S.	Schreiber	Winter
Dorn	Johnson, V.	Newinski	Seaberg	Spk. Long
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Ogren	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 2261, A bill for an act relating to state government; executive council; regulating depositories for state funds; requiring state depositories to satisfy community reinvestment standards; amending Minnesota Statutes 1990, section 9.031, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 9; repealing Minnesota Statutes 1990, section 9.031, subdivisions 1, 2, 3, 4, 5, and 10.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bishop	Davids	Girard	Henry
Anderson, I.	Blatz	Dawkins	Goodno	Hufnagle
Anderson, R.	Bodahl	Dempsey	Gruenes	Hugoson
Anderson, R. H.	Boo	Dille	Gutknecht	Jacobs
Battaglia	Brown	Dorn	Hanson	Janezich
Bauerly	Carlson	Erhardt	Hartle	Jaros
Beard	Carruthers	Farrell	Hasskamp	Jefferson
Begich	Clark	Frederick	Haukoos	Jennings
Bertram	Cooper	Frerichs	Hausman	Johnson, A.
Bettermann	Dauner	Garcia	Heir	Johnson, R.

Johnson, V.	Macklin	Omann	Runbeck	Tompkins
Kahn	Mariani	Onnen	Sarna	Trimble
Kalis	McEachern	Orenstein	Schafer	Tunheim
Kelso	McGuire	Orfield	Schreiber	Uphus
Kinkel	McPherson	Osthoff	Seaberg	Valento
Knickerbocker	Milbert	Ostrom	Segal	Vanasek
Koppendrayer	Morrison	Ozment	Simoneau	Vellenga
Krambeer	Munger	Pauly	Skoglund	Wagenius
Krinkie	Murphy	Pellow	Smith	Waltman
Krueger	Nelson, S.	Pelowski	Solberg	Weaver
Lasley	Newinski	Peterson	Sparby	Wejcman
Leppik	O'Connor	Pugh	Stanius	Welker
Lieder	Ogren	Reding	Steensma	Welle
Limmer	Olsen, S.	Rice	Sviggum	Wenzel
Lourey	Olson, E.	Rodosovich	Swenson	Winter
Lynch	Olson, K.	Rukavina	Thompson	Spk. Long

The bill was passed and its title agreed to.

S. F. No. 2185 was reported to the House.

Olsen, S., moved that S. F. No. 2185 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 2694, A bill for an act relating to courts; authorizing Ramsey county to provide for a single suburban court facility; amending Minnesota Statutes 1990, sections 488A.18, subdivision 10; and 488A.185.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Davids	Henry	Lasley	Olson, E.
Anderson, I.	Dawkins	Hufnagle	Leppik	Olson, K.
Anderson, R.	Dempsey	Hugoson	Lieder	Omann
Anderson, R. H.	Dille	Jacobs	Limmer	Onnen
Battaglia	Dorn	Janezich	Lourey	Orenstein
Bauerly	Erhardt	Jaros	Lynch	Orfield
Beard	Farrell	Jefferson	Macklin	Osthoff
Begich	Frederick	Jennings	Mariani	Ostrom
Bertram	Frerichs	Johnson, A.	McEachern	Ozment
Bettermann	Garcia	Johnson, R.	McGuire	Pauly
Bishop	Girard	Johnson, V.	McPherson	Pellow
Blatz	Goodno	Kahn	Milbert	Pelowski
Bodahl	Gruenes	Kalis	Morrison	Peterson
Boo	Gutknecht	Kelso	Munger	Pugh
Brown	Hanson	Kinkel	Murphy	Reding
Carlson	Hartle	Knickerbocker	Nelson, S.	Rest
Carruthers	Hasskamp	Koppendrayer	Newinski	Rice
Clark	Haukoos	Krambeer	O'Connor	Rodosovich
Cooper	Hausman	Krinkie	Ogren	Rukavina
Dauner	Heir	Krueger	Olsen, S.	Runbeck

Sarna	Smith	Thompson	Vellenga	Wenzel
Schafer	Solberg	Tompkins	Wagenius	Winter
Schreiber	Sparby	Trimble	Waltman	Spk. Long
Seaberg	Stanius	Tunheim	Weaver	
Segal	Steensma	Uphus	Wejcman	
Simoneau	Sviggum	Valento	Welker	
Skoglund	Swenson	Vanasek	Welle	

The bill was passed and its title agreed to.

S. F. No. 522, A bill for an act relating to game and fish; specifying allowed methods for taking fish in certain designated trout streams; proposing coding for new law in Minnesota Statutes, chapter 97C.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olson, K.	Solberg
Anderson, I.	Frerichs	Kinkel	Omann	Sparby
Anderson, R.	Garcia	Knickerbocker	Onnen	Stanius
Anderson, R. H.	Girard	Koppendrayer	Orenstein	Steensma
Battaglia	Goodno	Krambeer	Orfield	Sviggum
Bauerly	Greenfield	Krinkie	Osthoff	Swenson
Beard	Gruenes	Krueger	Ostrom	Thompson
Begich	Gutknecht	Lasley	Ozment	Tompkins
Bertram	Hanson	Leppik	Pauly	Trimble
Bettermann	Hartle	Lieder	Pellow	Tunheim
Bishop	Hasskamp	Limmer	Pelowski	Uphus
Blatz	Haukoos	Lourey	Peterson	Valento
Bodahl	Hausman	Lynch	Pugh	Vanasek
Boo	Heir	Macklin	Reding	Vellenga
Brown	Henry	Mariani	Rest	Wagenius
Carlson	Hufnagle	McEachern	Rice	Waltman
Carruthers	Hugoson	McGuire	Rodosovich	Weaver
Clark	Jacobs	McPherson	Rukavina	Wejcman
Cooper	Janezich	Milbert	Runbeck	Welker
Dauner	Jaros	Morrison	Sarna	Welle
Davids	Jefferson	Munger	Schafer	Wenzel
Dawkins	Jennings	Murphy	Schreiber	Winter
Dempsey	Johnson, A.	Nelson, S.	Seaberg	Spk. Long
Dille	Johnson, R.	Newinski	Segal	
Dorn	Johnson, V.	O'Connor	Simoneau	
Erhardt	Kahn	Olsen, S.	Skoglund	
Farrell	Kalis	Olson, E.	Smith	

The bill was passed and its title agreed to.

S. F. No. 1805, A bill for an act relating to human services; requiring reporting of legally blind persons to Minnesota state services for the blind and visually handicapped; modifying the duties of the commissioner of jobs and training; removing a council's

expiration date; amending Minnesota Statutes 1990, sections 248.07, subdivisions 1 and 5; and 248.10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 248.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Kahn	Olsen, S.	Simoneau
Anderson, I.	Frederick	Kalis	Olson, E.	Skoglund
Anderson, R.	Frerichs	Kelso	Olson, K.	Smith
Anderson, R. H.	Garcia	Kinkel	Omann	Solberg
Battaglia	Girard	Knickerbocker	Onnen	Sparby
Bauerly	Goodno	Koppendrayer	Orenstein	Stanius
Beard	Greenfield	Krambeer	Orfield	Steensma
Begich	Gruenes	Krinkie	Osthoff	Sviggum
Bertram	Gutknecht	Krueger	Ostrom	Swenson
Bettermann	Hanson	Lasley	Ozment	Thompson
Bishop	Hartle	Leppik	Pauly	Tompkins
Blatz	Hasskamp	Lieder	Pellow	Trimble
Bodahl	Haukoos	Limmer	Pelowski	Tunheim
Boo	Hausman	Lourey	Peterson	Uphus
Brown	Heir	Macklin	Pugh	Valento
Carlson	Henry	Mariani	Reding	Vanasek
Carruthers	Hufnagle	McEachern	Rest	Vellenga
Clark	Hugoson	McGuire	Rice	Wagenius
Cooper	Jacobs	McPherson	Rodosovich	Waltman
Dauner	Janezich	Milbert	Rukavina	Weaver
Davids	Jaros	Morrison	Runbeck	Wejcman
Dawkins	Jefferson	Munger	Sarna	Welker
Dempsey	Jennings	Murphy	Schafer	Welle
Dille	Johnson, A.	Nelson, S.	Schreiber	Wenzel
Dorn	Johnson, R.	Newinski	Seaberg	Winter
Erhardt	Johnson, V.	O'Connor	Segal	Spk. Long

The bill was passed and its title agreed to.

S. F. No. 2088 was reported to the House.

Krinkie moved to amend S. F. No. 2088, as follows:

Page 1, after line 14, insert:

"Section 1. Minnesota Statutes 1990, section 309.52, subdivision 1, is amended to read:

Subdivision 1. No charitable organization, except as otherwise provided in section 309.515, shall solicit contributions from persons in this state by any means whatsoever unless, prior to any solicitation, there shall be on file with the attorney general upon forms

provided by the attorney general, a registration statement containing, without limitation, the following information:

(a) Legally established name.

(b) Name or names under which it solicits contributions.

(c) Form of organization.

(d) Date and place of organization.

(e) Address of principal office in this state, or, if none, the name and address of the person having custody of books and records within this state.

(f) Names and addresses of, and total annual compensation paid to, officers, directors, trustees, and chief executive officer.

(g) Federal and state tax exempt status.

(h) Denial at any time by any governmental agency or court of the right to solicit contributions.

(i) Date on which accounting year of the charitable organization ends.

(j) General purposes for which organized.

(k) General purposes for which contributions to be solicited will be used.

(l) Methods by which solicitation will be made.

(m) Copies of contracts between charitable organization and professional fund raisers relating to financial compensation or profit to be derived by the professional fund raisers. Where any such contract is executed after filing of the registration statement, a copy thereof shall be filed within seven days of the date of execution.

(n) Board, group or individual having final discretion as to the distribution and use of contributions received.

(o) The amount of total contributions received during the accounting year last ended.

(p) Such other information as the attorney general may by rule or order require to promote fairness of the solicitation and to assure full and fair disclosure of all material information to the attorney general."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2088, A bill for an act relating to corporations; making miscellaneous changes in provisions dealing with the organization and operation of nonprofit corporations; amending Minnesota Statutes 1990, sections 317A.011, subdivision 14; 317A.111, subdivision 3; 317A.227; 317A.251, subdivision 3; 317A.255, subdivisions 1, 2, and by adding a subdivision; 317A.341, subdivision 2; 317A.431, subdivision 2; 317A.447; 317A.461; 317A.751, subdivision 3; 317A.821, subdivision 3; and 317A.827, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 317A.821, subdivision 2; 317A.823; and 317A.827, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, E.	Smith
Anderson, I.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R.	Girard	Koppendrayer	Omann	Sparby
Anderson, R. H.	Goodno	Krambeer	Onnen	Stanius
Battaglia	Greenfield	Krinkie	Orenstein	Steensma
Bauerly	Gruenes	Krueger	Orfield	Sviggum
Beard	Gutknecht	Lasley	Osthoff	Swenson
Begich	Hanson	Leppik	Ostrom	Thompson
Bertram	Hartle	Lieder	Ozment	Tompkins
Bettermann	Hasskamp	Limmer	Pauly	Trimble
Bishop	Haukoos	Lourey	Pellow	Tunheim
Blatz	Hausman	Lynch	Pelowski	Uphus
Bodahl	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vanasek
Carlson	Hufnagle	McEachern	Reding	Vellenga
Carruthers	Hugoson	McGuire	Rest	Wagenius
Clark	Jacobs	McPherson	Rice	Waltman
Cooper	Janezich	Milbert	Rodosovich	Weaver
Dauner	Jaros	Morrison	Rukavina	Wejcman
Davids	Jefferson	Munger	Runbeck	Welker
Dawkins	Jennings	Murphy	Sarna	Welle
Dempsey	Johnson, A.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, R.	Nelson, S.	Schreiber	Winter
Dorn	Johnson, V.	Newinski	Seaberg	Spk. Long
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Ogren	Simoneau	
Frederick	Kelso	Olsen, S.	Skoglund	

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

S. F. No. 2547, A bill for an act relating to retirement; Minneapolis police relief association; recodifying the local laws applicable to the local relief association; amending Laws 1980, chapter 607, article XV, sections 8, 9, as amended, and 10; Laws 1989, chapter 319, article 19, sections 6 and 7, subdivisions 1 and 4, as amended; and Laws 1990, chapter 589, article 1, section 6; repealing Minnesota Statutes 1957, sections 423.71; 423.715; 423.72; 423.725; 423.73; 423.735; 423.74; 423.745; 423.75; 423.755; 423.76; 423.765; 423.77; 423.775; Special Laws 1891, chapter 143; Laws 1943, chapter 280; Laws 1949, chapter 406; Laws 1953, chapter 127; Laws 1957, chapters 721 and 939; Laws 1959, chapters 428 and 662; Laws 1961, chapter 532; Laws 1963, chapter 315; Laws 1965, chapters 493, 520, and 534; Laws 1967, chapters 820 and 825; Laws 1969, chapters 258 and 560; Laws 1973, chapters 272 and 309; Laws 1975, chapter 428; Laws 1980, chapter 607, article XV, section 21; Laws 1983, chapter 88; Laws 1987, chapters 322, sections 2, 3, 4, 5, 6, 7, and 8; and 372, article 2, sections 2, 3, 4, 6, and 15; Laws 1988, chapters 572, sections 3, 5, and 6; and 574, sections 2, 4, and 5; Laws 1990, chapter 589, article 1, section 4; and Laws 1991, chapter 90.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Johnson, R.	Murphy	Rukavina
Anderson, I.	Farrell	Johnson, V.	Nelson, K.	Runbeck
Anderson, R.	Frederick	Kahn	Nelson, S.	Sarna
Anderson, R. H.	Frerichs	Kalis	Newinski	Schafer
Battaglia	Garcia	Kelso	O'Connor	Schreiber
Bauerly	Girard	Kinkel	Ogren	Seaberg
Beard	Goodno	Knickerbocker	Olsen, S.	Segal
Begich	Greenfield	Koppendrayer	Olson, E.	Simoneau
Bertram	Gruenes	Krambeer	Olson, K.	Skoglund
Bettermann	Gutknecht	Krinkie	Omann	Smith
Bishop	Hanson	Krueger	Onnen	Solberg
Blatz	Hartle	Lasley	Orenstein	Sparby
Bodahl	Hasskamp	Leppik	Orfield	Stanius
Boo	Haukoos	Lieder	Osthoff	Steensma
Brown	Hausman	Limmer	Ostrom	Sviggum
Carlson	Heir	Lourey	Ozment	Swenson
Carruthers	Henry	Lynch	Pauly	Thompson
Clark	Hufnagle	Macklin	Pellow	Tompkins
Cooper	Hugoson	Mariani	Pelowski	Trimble
Dauner	Jacobs	McEachern	Peterson	Tunheim
Davids	Janezich	McGuire	Pugh	Uphus
Dawkins	Jaros	McPherson	Reding	Valento
Dempsey	Jefferson	Milbert	Rest	Vanasek
Dille	Jennings	Morrison	Rice	Vellenga
Dorn	Johnson, A.	Munger	Rodosovich	Wagenius

Waltman	Wejcman	Welle	Winter
Weaver	Welker	Wenzel	Spk. Long

The bill was passed and its title agreed to.

H. F. No. 2001 was reported to the House.

Jefferson moved that H. F. No. 2001 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 1801, A bill for an act relating to commerce; motor vehicle sale and distribution; regulating payments upon franchise termination, cancellation, or nonrenewal; amending Minnesota Statutes 1990, section 80E.09, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Kinkel	Olson, E.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krambeer	Onnen	Stanius
Bauerly	Greenfield	Krinkie	Orenstein	Steensma
Beard	Gruenes	Krueger	Orfield	Sviggum
Begich	Gutknecht	Lasley	Osthoff	Swenson
Bertram	Hanson	Leppik	Ostrom	Thompson
Bettermann	Hartle	Lieder	Ozment	Tompkins
Bishop	Hasskamp	Limmer	Pauly	Trimble
Blatz	Haukoos	Lourey	Pellow	Tunheim
Bodahl	Hausman	Lynch	Pelowski	Uphus
Boo	Heir	Macklin	Peterson	Valento
Brown	Henry	Mariani	Pugh	Vanasek
Carlson	Hufnagle	McEachern	Reding	Vellenga
Carruthers	Hugoson	McGuire	Rest	Wagenius
Clark	Jacobs	McPherson	Rice	Waltman
Cooper	Janezich	Milbert	Rodosovich	Weaver
Dauner	Jaros	Morrison	Rukavina	Wejcman
Davids	Jefferson	Munger	Runbeck	Welker
Dawkins	Jennings	Murphy	Sarna	Welle
Dempsey	Johnson, A.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, R.	Nelson, S.	Schreiber	Winter
Dorn	Johnson, V.	Newinski	Seaberg	Spk. Long
Erhardt	Kahn	O'Connor	Segal	
Farrell	Kalis	Ogren	Simoneau	

The bill was passed and its title agreed to.

S. F. No. 1938 was reported to the House.

Dawkins moved to amend S. F. No. 1938, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 504.181, subdivision 2, is amended to read:

Subd. 2. [BREACH VOIDS RIGHT TO POSSESSION.] A breach of the covenant created by subdivision 1 voids the lessee's or licensee's right to possession of the residential premises. All other provisions of the lease or license, including but not limited to the obligation to pay rent, remain in effect until the lease is terminated by the terms of the lease or operation of law.

If the lessor or licensee breaches the covenant created by subdivision 1, the landlord may bring, or assign to the county attorney of the county in which the residential premises are located, the right to bring an unlawful detainer action against the lessee or licensee. The assignment must be in writing on a form provided by the county attorney, and the county attorney may determine whether to accept the assignment. If the county attorney accepts the assignment of the landlord's right to bring an unlawful detainer action:

(1) any court filing fee that would otherwise be required in an unlawful detainer action is waived; and

(2) the landlord retains all the rights and duties, including removal of the lessee's or licensee's personal property, following issuance of the writ of restitution and delivery of the writ to the sheriff for execution.

Sec. 2. Minnesota Statutes 1990, section 609.5311, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON FORFEITURE OF CERTAIN PROPERTY ASSOCIATED WITH CONTROLLED SUBSTANCES.] (a) A conveyance device is subject to forfeiture under this section only if the retail value of the controlled substance is $25 or more and the conveyance device is associated with a felony-level controlled substance crime.

(b) Real property is subject to forfeiture under this section only if the retail value of the controlled substance or contraband is $1,000 or more.

(c) Property used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the property is a consenting party to, or is privy to, the use or intended use of the property as described in subdivision 2.

(d) Property is subject to forfeiture under this section only if its owner was privy to the use or intended use described in subdivision 2, or the unlawful use or intended use of the property otherwise occurred with the owner's knowledge or consent.

(e) Forfeiture under this section of a conveyance device or real property encumbered by a bona fide security interest is subject to the interest of the secured party unless the secured party had knowledge of or consented to the act or omission upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

(f) Notwithstanding paragraphs (d) and (e), property is not subject to forfeiture based solely on the owner's or secured party's knowledge of the unlawful use or intended use of the property: (1) if the owner or secured party took reasonable steps to terminate use of the property by the offender; or (2) the property is real property owned by the parent of the offender, unless the parent is criminally liable under section 609.05 for the act or omission giving rise to the forfeiture.

Sec. 3. Minnesota Statutes 1990, section 609.5317, subdivision 1, is amended to read:

Subdivision 1. [RENTAL PROPERTY.] (a) When contraband or a controlled substance manufactured, distributed, or acquired in violation of chapter 152 is seized on residential rental property incident to a lawful search or arrest, the county attorney shall give the notice required by this subdivision to (1) the landlord of the property or the fee owner identified in the records of the county assessor, and (2) the agent authorized by the owner to accept service pursuant to section 504.22. The notice is not required during an ongoing investigation. The notice shall state what has been seized and specify the applicable duties and penalties under this subdivision. The notice shall state that the landlord who chooses to assign the right to bring an unlawful detainer action retains all rights and duties, including removal of a tenant's personal property following issuance of the writ of restitution and delivery of the writ to the sheriff for execution. The notice shall also state that the landlord may contact the county attorney if threatened by the tenant. Notice shall be sent by certified letter, return receipt requested, within 30 days of the seizure. If receipt is not returned, notice shall be given in the manner provided by law for service of summons in a civil action.

(b) Within 15 days after notice of the first occurrence, the landlord shall bring, or assign to the county attorney of the county in which the real property is located, the right to bring an unlawful detainer action against the tenant. The assignment must be in writing on a form prepared by the county attorney. Should the landlord choose to assign the right to bring an unlawful detainer action, the assign-

ment shall be limited to those rights and duties up to and including delivery of the writ of restitution to the sheriff for execution.

(c) Upon notice of a second occurrence on any residential rental property owned by the same landlord in the same building or complex of buildings and involving the same tenant, the property is subject to forfeiture under sections 609.531, 609.5311, 609.5313, and 609.5315, unless an unlawful detainer action has been commenced as provided in paragraph (b) or the right to bring an unlawful detainer action was assigned to the county attorney as provided in paragraph (b). If the right has been assigned and not previously exercised, or if the county attorney requests an assignment and the landlord makes an assignment, the county attorney may bring an unlawful detainer action rather than an action for forfeiture.

Sec. 4. [EFFECTIVE DATE; APPLICATION.]

Section 1 is effective August 1, 1992, and applies to breaches of the covenant occurring on or after that date.

Section 2 is effective the day after final enactment and applies to forfeiture proceedings commenced or pending on or after that date. Section 3 is effective August 1, 1992, and applies to second occurrences on or after that date."

Delete the title and insert:

"A bill for an act relating to landlords and tenants; providing for assignment to the county attorney of the landlord's right to evict for breach of the covenant not to sell drugs or permit their sale; clarifying the law on forfeiture of real estate interests related to contraband or controlled substance seizures; amending Minnesota Statutes 1990, sections 504.181, subdivision 2; 609.5311, subdivision 3; and 609.5317, subdivision 1."

The motion prevailed and the amendment was adopted.

S. F. No. 1938, A bill for an act relating to landlords and tenants; providing for assignment to the county attorney of the landlord's right to evict for breach of the covenant not to sell drugs or permit their sale; clarifying the law on forfeiture of real estate interests related to contraband or controlled substance seizures; amending Minnesota Statutes 1990, sections 504.181, subdivision 2; and 609.5317, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kalis	O'Connor	Seaberg
Anderson, I.	Frerichs	Kelso	Ogren	Segal
Anderson, R.	Garcia	Kinkel	Olsen, S.	Simoneau
Anderson, R. H.	Girard	Knickerbocker	Olson, E.	Skoglund
Battaglia	Goodno	Koppendrayer	Olson, K.	Smith
Bauerly	Greenfield	Krambeer	Omann	Solberg
Beard	Gruenes	Krinkie	Onnen	Sparby
Begich	Gutknecht	Krueger	Orenstein	Stanius
Bertram	Hanson	Lasley	Orfield	Steensma
Bettermann	Hartle	Leppik	Osthoff	Sviggum
Bishop	Hasskamp	Lieder	Ostrom	Swenson
Blatz	Haukoos	Limmer	Ozment	Thompson
Bodahl	Hausman	Lourey	Pauly	Tompkins
Boo	Heir	Lynch	Pellow	Trimble
Brown	Henry	Macklin	Pelowski	Tunheim
Carlson	Hufnagle	Mariani	Peterson	Uphus
Carruthers	Hugoson	McEachern	Pugh	Valento
Clark	Jacobs	McGuire	Reding	Vellenga
Cooper	Janezich	McPherson	Rest	Wagenius
Dauner	Jaros	Milbert	Rice	Waltman
Davids	Jefferson	Morrison	Rodosovich	Weaver
Dawkins	Jennings	Munger	Rukavina	Wejcman
Dille	Johnson, A.	Murphy	Runbeck	Welle
Dorn	Johnson, R.	Nelson, K.	Sarna	Wenzel
Erhardt	Johnson, V.	Nelson, S.	Schafer	Winter
Farrell	Kahn	Newinski	Schreiber	Spk. Long

Those who voted in the negative were:

Dempsey Welker

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

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2848, A bill for an act relating to state government; ratifying labor agreements; providing for classification changes for certain employees; requiring a report to the legislature; amending Minnesota Statutes 1990, section 21.85, subdivision 2; Minnesota Statutes 1991 Supplement, sections 43A.08, subdivisions 1 and 1a; and 349A.02, subdivision 4.

Reported the same back with the following amendments:

Page 4, delete lines 21 to 32

Page 4, line 33, delete "3" and insert "2"

Pages 5 to 8, delete sections 2 and 3

Page 9, delete line 3

Page 9, line 31, delete "3" and insert "2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete "legislature;"

Page 1, line 7, delete everything after the first comma and insert "section"

Page 1, line 8, delete "and"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2848 was read for the second time.

SPECIAL ORDERS

H. F. No. 2265 was reported to the House.

Cooper and Dille moved to amend H. F. No. 2265, the first engrossment, as follows:

Page 3, line 2, after "spouse" insert "or responsible relatives"

Page 3, line 9, delete "and moral" and after "beliefs" insert "and rights of conscience"

Page 3, line 14, after the period insert "The county may restrict the amount to be expended for the funeral or final disposition."

The motion prevailed and the amendment was adopted.

Macklin moved to amend H. F. No. 2265, the first engrossment, as amended, as follows:

Page 1, line 12, after the period insert "Thirty days prior to the date of planned disposal, written notice shall be sent by certified mail to the individual who requested the cremation."

The motion prevailed and the amendment was adopted.

H. F. No. 2265, A bill for an act relating to health; specifying timelines for the disposal of cremated remains; modifying standards for county payment of funeral expenses; amending Minnesota Statutes 1991 Supplement, sections 256.935, subdivision 1; and 261.035; proposing coding for new law in Minnesota Statutes, chapter 149.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Johnson, R.	Murphy	Rukavina
Anderson, I.	Farrell	Johnson, V.	Nelson, K.	Runbeck
Anderson, R.	Frederick	Kahn	Nelson, S.	Sarna
Anderson, R. H.	Frerichs	Kalis	Newinski	Schafer
Battaglia	Garcia	Kelso	O'Connor	Schreiber
Bauerly	Girard	Kinkel	Ogren	Seaberg
Beard	Goodno	Knickerbocker	Olsen, S.	Segal
Begich	Greenfield	Koppendrayer	Olson, E.	Simoneau
Bertram	Gruenes	Krambeer	Olson, K.	Skoglund
Bettermann	Gutknecht	Krinkie	Omann	Smith
Bishop	Hanson	Krueger	Onnen	Solberg
Blatz	Hartle	Lasley	Orenstein	Sparby
Bodahl	Hasskamp	Leppik	Orfield	Stanius
Boo	Haukoos	Lieder	Osthoff	Steensma
Brown	Hausman	Limmer	Ostrom	Sviggum
Carlson	Heir	Lourey	Ozment	Swenson
Carruthers	Henry	Lynch	Pauly	Thompson
Clark	Hufnagle	Macklin	Pellow	Tompkins
Cooper	Hugoson	Mariani	Pelowski	Trimble
Dauner	Jacobs	McEachern	Peterson	Tunheim
Davids	Janezich	McGuire	Pugh	Uphus
Dawkins	Jaros	McPherson	Reding	Valento
Dempsey	Jefferson	Milbert	Rest	Vanasek
Dille	Jennings	Morrison	Rice	Vellenga
Dorn	Johnson, A.	Munger	Rodosovich	Wagenius

Waltman	Wejcman	Welle	Winter
Weaver	Welker	Wenzel	Spk. Long

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

S. F. No. 2194 was reported to the House.

Pugh moved that S. F. No. 2194 be continued on Special Orders. The motion prevailed.

S. F. No. 1729, A bill for an act relating to financial institutions; authorizing a banking institution that is a trustee to invest in certain investment companies and investment trusts; amending Minnesota Statutes 1990, sections 48.01, subdivisions 1 and 2; 48.38, subdivision 6; 48.84; and 501B.10, subdivision 6.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olson, E.	Smith
Anderson, I.	Frerichs	Kinkel	Olson, K.	Solberg
Anderson, R.	Garcia	Knickerbocker	Omann	Sparby
Anderson, R. H.	Girard	Koppendrayer	Onnen	Stanius
Battaglia	Goodno	Krambeer	Orenstein	Steensma
Bauerly	Greenfield	Krinkie	Orfield	Sviggum
Beard	Gruenes	Krueger	Osthoff	Swenson
Begich	Gutknecht	Lasley	Ostrom	Thompson
Bertram	Hanson	Leppik	Ozment	Tompkins
Bettermann	Hartle	Lieder	Pauly	Trimble
Bishop	Hasskamp	Limmer	Pellow	Tunheim
Blatz	Haukoos	Lourey	Pelowski	Uphus
Bodahl	Hausman	Lynch	Peterson	Valento
Boo	Heir	Macklin	Pugh	Vanasek
Brown	Henry	Mariani	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejcman
Dauner	Jaros	Morrison	Runbeck	Welle
Davids	Jefferson	Munger	Sarna	Wenzel
Dawkins	Jennings	Murphy	Schafer	Winter
Dempsey	Johnson, A.	Nelson, K.	Schreiber	Spk. Long
Dille	Johnson, R.	Nelson, S.	Seaberg	
Dorn	Johnson, V.	O'Connor	Segal	
Erhardt	Kahn	Ogren	Simoneau	
Farrell	Kalis	Olsen, S.	Skoglund	

Those who voted in the negative were:

Welker

The bill was passed and its title agreed to.

H. F. No. 2025 was reported to the House.

Reding moved to amend H. F. No. 2025, the first engrossment, as follows:

Page 23, after line 14, insert:

"ARTICLE 5

CORRECTION OF PRIOR ENACTMENTS

Section 1. Minnesota Statutes 1990, section 353A.07, subdivision 3, as amended by Laws 1992, chapter 432, article 2, section 30, is amended to read:

Subd. 3. [TRANSFER OF ASSETS.] On the effective date of consolidation, the chief administrative officer of the relief association shall transfer the entire assets of the special fund of the relief association to the public employees retirement association. The transfer must include any investment securities of the consolidation account which are not determined to be ineligible or inappropriate by the executive director of the state board under section 353A.05, subdivision 2, at the market value of the investment security as of the effective date of the consolidation. The transfer must include any accounts receivable determined by the executive director of the state board as capable of being collected. The transfer must also include an amount, in cash, representing any remaining investment security or other asset of the consolidation account which was liquidated, after defraying any accounts payable.

As of the effective date of consolidation, subject to the authority of the state board, the board of trustees of the public employee retirement association has legal title to and management responsibility for any transferred assets as trustees for any person having a beneficial interest arising out of benefit coverage provided by the relief association. The public employees retirement association is the successor in interest for all claims for and against the consolidation account or the municipality with respect to the consolidation account of the relief association. ~~In~~ , except a claim against the relief association or the municipality or any person connected with the relief association or the municipality in a fiduciary capacity, based on any act or acts by that person which were not done in good faith and which constituted a breach of the obligation of the person as a fiduciary. As a successor in interest, the public employees retirement association may assert any applicable defense in any judicial proceeding which the board of the relief association or the municipality would have otherwise been entitled to assert.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on the day following final enactment."

Amend the title as follows:

Page 1, line 15, after "2;" insert "353A.07, subdivision 3, as amended;"

The motion prevailed and the amendment was adopted.

Reding moved to amend H. F. No. 2025, the first engrossment, as amended, as follows:

Page 22, delete lines 33 through 36

Page 23, delete lines 1 to 14, and insert:

"ARTICLE 4

PURCHASES OF PRIOR SERVICE AND OTHER RETIREMENT LAW CHANGES

Section 1. [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION; PURCHASES OF PRIOR SERVICE CREDIT.]

Subdivision 1. [ELIGIBILITY; MINNEAPOLIS CONSTRUCTION EQUIPMENT OPERATOR.] (a) Notwithstanding any provision of Minnesota Statutes, section 353.27, subdivision 12, to the contrary, an eligible person described in paragraph (b) is entitled to purchase allowable service credit in the coordinated program of the public employees retirement association for the period described in paragraph (c) by paying the amount specified in subdivision 4.

(b) An eligible person is a person who:

(1) is currently a member of the coordinated program of the public employees retirement association;

(2) was born on August 22, 1956;

(3) was employed on a temporary or seasonal basis by a city of the first class on June 24, 1983;

(4) was first eligible for membership in the public employees retirement association in 1985; and

(5) did not become a member of the public employees retirement association until September 1986, because no timely employee or employer contributions were made until that time.

(c) The period for service credit purchase is the period of eligible service between January 1985 and September 1986, as determined by the executive director of the public employees retirement association based on satisfactory evidence of the eligible person's employment status.

Subd. 2. [ELIGIBILITY; EVELETH FIREFIGHTER.] (a) Notwithstanding any provision of Minnesota Statutes, chapter 353, to the contrary, a person described in paragraph (b) is entitled to purchase credit for the period of prior uncredited service specified in paragraph (c) from the public employees police and fire fund by paying the amount specified in subdivision 4.

(b) A person eligible under paragraph (a) is a member of the public employees police and fire plan who:

(1) was born on June 5, 1935;

(2) was initially employed as a firefighter by the city of Eveleth on August 20, 1970; and

(3) is currently employed as a firefighter by the city of Eveleth.

(c) The period of prior service available for purchase under this section is a period equivalent to one year and eleven months originally covered under the Eveleth fire relief association, for which the individual did not receive service credit in the public employees police and fire fund when the Eveleth fire relief association terminated and coverage was transferred to the public employees police and fire fund under Laws 1977, chapter 61.

Subd. 3. [ELIGIBILITY; STILLWATER FIRE CHIEF.] (a) Notwithstanding any provision of Minnesota Statutes, chapter 353, to the contrary, a person described in paragraph (b) is entitled to purchase credit for the period of prior uncredited service specified in paragraph (c) from the public employees police and fire fund by paying the amount specified in subdivision 4.

(b) A person eligible under paragraph (a) is a person who:

(1) was born on February 7, 1944;

(2) was initially employed as a firefighter by the city of Stillwater on August 7, 1965; and

(3) is currently employed as fire chief by the city of Stillwater.

(c) The period of prior service available for purchase under this section is a period of five months in 1965 during which no member or employer contributions to the public employees police and fire fund were made.

Subd. 4. [PURCHASE PAYMENT AMOUNT.] (a) To purchase credit for prior service under this section, there must be paid to the public employees retirement association or the public employees police and fire fund, whichever applies, an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity obtained by the purchase of the additional service credit. Calculation of this amount must be made using the applicable preretirement interest rate for the association specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the fund or association. The calculation must assume continuous future service in the fund or association until, and retirement at, the age at which the minimum requirements of the fund for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased. The calculation must also assume a future salary history that includes annual salary increases at the applicable salary increase rate for the fund or association specified in section 356.215, subdivision 4d. The member must establish in the records of the fund proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the public employees retirement association.

(b) Payment must be made in one lump sum.

(c) Payment of the amount calculated under this subdivision must be made by the member. However, the current or former governmental subdivision employer of the member may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

Sec. 2. [ELIGIBILITY FOR REFUND.]

Subdivision 1. [ELIGIBILITY.] Notwithstanding the requirements of Minnesota Statutes, section 353.34, subdivision 7, or other law to the contrary, a member of the public employees retirement association who was born on December 23, 1950, who is a Hennepin county employee on a sick leave of absence first reported to the public employees retirement association on June 19, 1991, may immedi-

ately elect to receive a refund of employee contributions as provided in section 353.34, subdivision 2.

Subd. 2. [SERVICE CREDIT LIMITATION.] Allowable service under Minnesota Statutes section 353.01, subdivision 16, clause (d) for the individual described in subdivision 1 ends one year from the beginning of the sick leave or on the date of the refund, whichever is earlier.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective on the day following final enactment."

Amend the title as follows:

Page 1, line 6, after "transactions;" insert "authorizing purchases of prior service credit;"

The motion prevailed and the amendment was adopted.

Smith and Reding moved to amend H. F. No. 2025, the first engrossment, as amended, as follows:

Page 23, after line 12, insert:

"Sec. 2. [SHOREWOOD COUNCIL MEMBERS; TERMINATION OF PARTICIPATION; REFUND OF CONTRIBUTIONS.]

Notwithstanding the prohibition on revocation in Minnesota Statutes, section 353D.02, any member of the Shorewood city council on the effective date of this section who has elected coverage under the public employees defined contribution plan may elect to revoke participation in the plan. The revocation election must be made on or before January 1, 1994. Revocation is effective on receipt of notice by the public employees retirement association, and employee contributions shall be returned to the council member. The remaining value of the former participant's account, if any, become property of the association. This section is effective the day following final enactment."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 9, after the semicolon insert "authorizing revocation of defined contribution options by Shorewood council members;"

The motion prevailed and the amendment was adopted.

H. F. No. 2025, A bill for an act relating to retirement; the Minnesota state retirement system; public employees retirement association; and teachers retirement association; increasing the interest rate on the repayment of refunds and similar transactions; authorizing purchases of prior service credit; authorizing a refund of employee contributions to the public employees retirement association by a certain sick Hennepin county employee; authorizing revocation of defined contribution options by Shorewood council members; correcting prior enactments; amending Minnesota Statutes 1990, sections 3A.03, subdivision 2; 352.01, subdivision 11; 352.04, subdivision 8; 352.23; 352.27; 352.271; 352B.11, subdivision 4; 352C.051, subdivision 3; 352C.09, subdivision 2; 352D.05, subdivision 4; 352D.11, subdivision 2; 352D.12; 353.28, subdivision 5; 353.35; 353.36, subdivision 2; 353A.07, subdivision 3, as amended; 354.41, subdivision 9; 354.50, subdivision 2; 354.51, subdivisions 4 and 5; 354.52, subdivision 4; 354.53, subdivision 1; and 490.124, subdivision 12; Minnesota Statutes 1991 Supplement, sections 353.01, subdivision 16; 353.27, subdivisions 12, 12a, and 12b; and 354.094, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dille	Janezich	Macklin	Ostrom
Anderson, I.	Dorn	Jaros	Mariani	Ozment
Anderson, R.	Erhardt	Jefferson	McEachern	Pauly
Anderson, R. H.	Farrell	Jennings	McGuire	Pellow
Battaglia	Frederick	Johnson, A.	McPherson	Pelowski
Bauerly	Frerichs	Johnson, R.	Milbert	Peterson
Beard	Garcia	Johnson, V.	Morrison	Pugh
Begich	Girard	Kahn	Munger	Reding
Bertram	Goodno	Kalis	Murphy	Rest
Bettermann	Greenfield	Kelso	Nelson, K.	Rice
Bishop	Gruenes	Kinkel	Nelson, S.	Rodosovich
Blatz	Gutknecht	Knickerbocker	Newinski	Rukavina
Bodahl	Hanson	Koppendrayer	O'Connor	Runbeck
Brown	Hartle	Krambeer	Ogren	Sarna
Carlson	Hasskamp	Krinkie	Olsen, S.	Schafer
Carruthers	Haukoos	Krueger	Olson, E.	Schreiber
Clark	Hausman	Lasley	Olson, K.	Seaberg
Cooper	Heir	Leppik	Omann	Segal
Dauner	Henry	Lieder	Onnen	Simoneau
Davids	Hufnagle	Limmer	Orenstein	Skoglund
Dawkins	Hugoson	Lourey	Orfield	Smith
Dempsey	Jacobs	Lynch	Osthoff	Solberg

Sparby	Thompson	Valento	Weaver	Winter
Stanius	Tompkins	Vanasek	Wejcman	Spk. Long
Steensma	Trimble	Vellenga	Welker	
Sviggum	Tunheim	Wagenius	Welle	
Swenson	Uphus	Waltman	Wenzel	

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

Welle moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Welle moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Heir moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the affirmative on Tuesday, April 7, 1992, on the first portion of the Frederick et al amendment to H. F. No. 1849, as amended." The motion prevailed.

Macklin introduced:

House Concurrent Resolution No. 14, A house concurrent resolution commending the members of the Airport Narcotics Detail for their outstanding performance.

The concurrent resolution was referred to the Committee on General Legislation, Veterans Affairs and Gaming.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following

House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1849, A bill for an act relating to crime; anti-violence education, prevention and treatment; increasing penalties for repeat sex offenders; providing for life imprisonment for certain repeat sex offenders; providing for life imprisonment without parole for certain persons convicted of first degree murder; increasing penalties for other violent crimes and crimes committed against children; increasing supervision of sex offenders; providing a fund for sex offender treatment; eliminating the "good time" reduction in prison sentences; allowing the extension of prison terms for disciplinary violations in prison; authorizing the commissioner of corrections to establish a "boot camp" program; authorizing the imposition of fees for local correctional services on offenders; requiring the imposition of minimum fines on convicted offenders; providing for HIV testing of certain sex offenders; expanding certain crime victim rights; providing programs for victim-offender mediation; enhancing protection of domestic abuse victims; authorizing secure confinement of dangerous juvenile offenders; creating a civil cause of action for minors used in a sexual performance; providing for a variety of anti-violence education, prevention, and treatment programs; authorizing the issuance of state bonds for a variety of projects; appropriating money; amending Minnesota Statutes 1990, sections 13.87, subdivision 2; 72A.20, by adding a subdivision; 121.882, by adding a subdivision; 127.46; 135A.15; 241.021, by adding a subdivision; 241.67, subdivisions 1, 2, 3, 6, and by adding a subdivision; 242.19, subdivision 2; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 245.4871, by adding a subdivision; 254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision; 259.11; 260.151, subdivision 1; 260.155, subdivision 1, and by adding a subdivision; 260.172, by adding a subdivision; 260.181, by adding a subdivision; 260.185, subdivisions 1 and 4; 260.311, by adding a subdivision; 270A.03, subdivision 5; 299A.37; 299A.40, subdivision 3; 332.51, subdivisions 1 and 5; 401.02, subdivision 4; 485.018, subdivision 5; 518B.01, subdivisions 7 and 13; 546.27, subdivision 1; 595.02, subdivision 4; 609.02, by adding a subdivision; 609.10; 609.101, by adding a subdivision; 609.115, subdivision 1a; 609.125; 609.135, subdivision 5, and by adding subdivisions; 609.1352, subdivisions 1 and 5; 609.152, subdivisions 2 and 3; 609.184, subdivision 2; 609.19; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.322; 609.323; 609.342; 609.343; 609.344, subdivisions 1 and 3; 609.345, subdivisions 1 and 3; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.3471; 609.378, subdivision 1, and by adding a subdivision; 609.40, subdivision 1; 609.605, by adding a subdivision; 609.747, subdivision 2; 611A.03, subdivision 1; 611A.52, subdivision 8; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 629.72, by adding a subdivision; 630.36, subdivision 1, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 3.873,

subdivisions 1, 5, 7, and by adding a subdivision; 8.15; 121.882, subdivision 2; 124A.29, subdivision 1; 126.70, subdivisions 1 and 2a; 243.166, subdivisions 1, 2, and 3; 244.05, subdivision 6; 244.12, subdivision 3; 245.484; 245.4884, subdivision 1; 299A.30; 299A.31, subdivision 1; 299A.32, subdivisions 2 and 2a; 299A.36; 518B.01, subdivisions 3a, 6, and 14; 609.135, subdivision 2; Laws 1991, chapter 232, section 5; proposing coding for new law in Minnesota Statutes, chapters 126; 145; 145A; 169; 241; 244; 256; 256F; 260; 299A; 609; 611A; 617; and 629.

PATRICK E. FLAHAVEN, Secretary of the Senate

Vellenga moved that the House refuse to concur in the Senate amendments to H. F. No. 1849, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1849:

Vellenga, Solberg, Seaberg, Wagenius and Pugh.

ADJOURNMENT

Welle moved that when the House adjourns today it adjourn until 12:00 noon, Friday, April 10, 1992. The motion prevailed.

Welle moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Friday, April 10, 1992.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

NINETY-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 10, 1992

The House of Representatives convened at 12:00 noon and was called to order by Dee Long, Speaker of the House.

Prayer was offered by Wendell Frerichs, Professor at Luther Northwestern Seminary, Roseville, Minnesota.

The roll was called and the following members were present:

Abrams	Frederick	Kelso	Ogren	Simoneau
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Skoglund
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Smith
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Solberg
Battaglia	Goodno	Krambeer	Omann	Sparby
Bauerly	Greenfield	Krinkie	Onnen	Stanius
Beard	Gruenes	Krueger	Orenstein	Steensma
Begich	Gutknecht	Lasley	Orfield	Sviggum
Bertram	Hanson	Leppik	Osthoff	Swenson
Bettermann	Hartle	Lieder	Ostrom	Thompson
Bishop	Hasskamp	Limmer	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vanasek
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcman
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Schreiber	Winter
Erhardt	Kahn	Newinski	Seaberg	Spk. Long
Farrell	Kalis	O'Connor	Segal	

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Krueger moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 2213 and H. F. No. 1680, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Skoglund moved that the rules be so far suspended that S. F. No. 2213 be substituted for H. F. No. 1680 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2314 and H. F. No. 2302, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rice moved that the rules be so far suspended that S. F. No. 2314 be substituted for H. F. No. 2302 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2396 and H. F. No. 2474, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

O'Connor moved that the rules be so far suspended that S. F. No. 2396 be substituted for H. F. No. 2474 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2434 and H. F. No. 2601, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Simoneau moved that S. F. No. 2434 be substituted for H. F. No. 2601 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2743 and H. F. No. 1791, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Skoglund moved that the rules be so far suspended that S. F. No. 2743 be substituted for H. F. No. 1791 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 769, A bill for an act relating to agriculture; providing for a central computerized filing system for effective financing statements and farm products statutory lien notices; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 336A; repealing Minnesota Statutes 1990, sections 223A.02; 223A.03; 223A.04; 223A.05; 223A.06; and 223A.07.

Reported the same back with the following amendments:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 336.9-413, is amended to read:

336.9-413 [UNIFORM COMMERCIAL CODE ACCOUNT.]

(a) The uniform commercial code account is established as an account in the state treasury.

(b) The filing officer with whom a financing statement, amendment, assignment, statement of release, or continuation statement is filed, or to whom a request for search is made, shall collect a $4 surcharge on each filing or search, except that the surcharge is $5 during the fiscal year ending June 30, 1993. By the 15th day following the end of each fiscal quarter, each county recorder shall forward the receipts from the surcharge accumulated during that fiscal quarter to the secretary of state. The surcharge does not apply to a search request made by a natural person who is the subject of the data to be searched except when a certificate is requested as a part of the search.

(c) The surcharge amounts received from county recorders and the surcharge amounts collected by the secretary of state's office must be deposited in the state treasury and credited to the general fund,

except that the additional surcharge of $1 collected during the fiscal year ending June 30, 1993, must be credited to the farm products filing account.

(d) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing a service under sections 336.9-411 to 336.9-413 must be deposited in the state treasury and credited to the uniform commercial code account.

(e) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary of state must be deposited in the state treasury and credited to the uniform commercial code account.

(f) Money in the uniform commercial code account is continuously appropriated to the secretary of state to implement and maintain the computerized uniform commercial code filing system under section 336.9-411 and to provide electronic-view-only access to other computerized records maintained by the secretary of state."

Page 15, line 16, after "state" insert "for implementation and maintenance of the computerized farm products filing and notification system"

Page 15, line 33, delete "$....." and insert "$100,000"

Page 15, line 35, delete everything after "account" and insert a period

Page 15, delete line 36

Page 16, delete line 1

Page 16, line 3, delete "....." and insert "5"

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 4, after the semicolon insert "establishing a certain temporary surcharge;"

Page 1, line 5, after the semicolon insert "amending Minnesota Statutes 1991 Supplement, section 336.9-413;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2050, A bill for an act relating to public health; providing for the reporting and monitoring of certain licensed health care workers who are infected with the human immunodeficiency virus or hepatitis B virus; authorizing rulemaking for certain health-related licensing boards; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 144.054; 144.55, subdivision 3; 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 153.19, subdivision 1; and 214.12; proposing coding for new law in Minnesota Statutes, chapters 150A; and 214.

Reported the same back with the following amendments:

Pages 22 and 23, delete section 18

Page 23, line 8, delete "19" and insert "18"

Amend the title as follows:

Page 1, line 7, delete "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2283, A bill for an act relating to the legislature; declaring a state policy for children, youth, and their families; amending the responsibilities of the legislative commission on children, youth, and their families; appropriating money; amending Minnesota Statutes 1991 Supplement, section 3.873, subdivisions 1, 4, 5, and by adding a subdivision.

Reported the same back with the following amendments:

Page 2, delete section 3

Page 2, line 30, delete "Sec. 4." and insert "Sec. 3."

Page 3, delete section 5

Amend the title as follows:

Page 1, line 5, delete "appropriating"

Page 1, line 6, delete "money;"

Page 1, line 7, delete "4,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2643, A bill for an act relating to energy; providing that energy providers may solicit contributions from customers for fuel funds that distribute emergency energy assistance to low-income households; establishing a statewide fuel fund in the department of jobs and training; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Reported the same back with the following amendments:

Page 3, after line 3, insert:

"Sec. 2. Minnesota Statutes 1990, section 383C.044, is amended to read:

383C.044 [TRANSFER OF EMPLOYEES.]

The civil service director may at any time authorize the transfer of any employee in the classified service from one position to another position in the same class or grade and not otherwise; provided, however, that persons who are not members of the classified service under the provisions of sections 383C.03 to 383C.059 shall not be entitled to transfer. Transfers shall be permitted only with the consent of the civil service director and the department concerned. The civil service commission shall adopt rules to govern the transfer of an employee from a city to the county, when the employee is performing Community Development Block Grant services for the county pursuant to a contract between the city and county."

Amend the title as follows:

Page 1, line 2, delete the first "energy" and insert "public services"

Page 1, line 6, after the semicolon insert "permitting certain civil service transfers by St. Louis county;"

Page 1, line 7, after the semicolon insert "amending Minnesota Statutes 1990, section 383C.044;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2717, A bill for an act relating to water; requiring maintenance of a statewide nitrate data base; modifying requirements relating to well disclosure certificates and sealing of wells; establishing a well sealing account; requiring a report on environmental consulting services; appropriating money; amending Minnesota Statutes 1990, sections 103I.301, subdivision 4; 103I.315; and 103I.341, subdivisions 1 and 5; Minnesota Statutes 1991 Supplement, sections 16B.92, by adding a subdivision; 103I.222; 103I.235; and 103I.301, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 103A and 103I.

Reported the same back with the following amendments:

Page 1, line 19, delete "2" and insert "4"

Page 1, after line 19, insert:

"Sec. 2. Minnesota Statutes 1990, section 32.394, is amended by adding a subdivision to read:

Subd. 11. [WAIVER OF RULES; WATER WELL SETBACK.] Notwithstanding any rule of the department of health or agriculture to the contrary, a dairy farmer who wishes to be permitted to produce grade A milk may not be denied the grade A permit solely because of provisions in the well code stipulating a minimum setback of the water well from the dairy barn. To be eligible for a grade A permit, the following conditions must be met:

(1) the water well must have been in place prior to January 1, 1974;

(2) the water well must comply with all aspects of the current well code other than minimum setback; and

(3) water from the well must be tested at least once each six months in compliance with guidelines established by the commissioner of agriculture.

Sec. 3. Minnesota Statutes 1990, section 32.394, is amended by adding a subdivision to read:

Subd. 12. [WATER TESTING GUIDELINES.] The commissioner of agriculture, in consultation with the commissioner of health, must establish guidelines for the types of testing or analysis to be performed on water samples from a well receiving a permit under subdivision 11. The guidelines are not subject to chapter 14."

Page 8, delete lines 31 to 34

Renumber sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 2, after the semicolon insert "providing that well setback rules may be waived for dairy farmers;"

Page 1, line 7, delete "appropriating money;"

Page 1, line 8, after "sections" insert "32.394, by adding subdivisions;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2723, A bill for an act relating to motor fuels; weights and measures; regulating octane and oxygenated fuels; appropriating money; amending Minnesota Statutes 1990, sections 41A.09, subdivision 2, and by adding a subdivision; 239.75; 239.79; 239.80; 296.01, subdivisions 1, 2, 3, 4, 4a, 4b, 15, 24, and by adding subdivisions; 296.02, subdivisions 1, 2, and 7; Minnesota Statutes 1991 Supplement, section 239.05, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes,

chapter 239; repealing Minnesota Statutes 1990, sections 239.75, subdivisions 3 and 4; 239.76, as amended; 239.79, subdivisions 1 and 2; 296.01, subdivision 2a; and 325E.09.

Reported the same back with the following amendments:

Page 2, after line 32, insert:

"Sec. 6. Minnesota Statutes 1991 Supplement, section 239.05, is amended by adding a subdivision to read:

Subd. 2c. [ATTESTATION ENGAGEMENT.] "Attestation engagement" means a standard auditing procedure prescribed by the Association of Independent Certified Public Accountants."

Page 2, line 36, delete the second "a" and insert "an oxygenated gasoline"

Page 4, lines 7 and 20, delete "registered" and insert "approved"

Page 7, line 2, delete "waiver to" and insert "temporary exemption from"

Page 10, line 3, delete "and decimal fractions"

Page 13, line 2, after "with" insert "a detergent additive,"

Page 13, line 3, delete "with"

Page 13, line 11, delete "provided" and insert "or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification D 4814-90a;"

Page 13, delete lines 12 to 16

Page 13, line 20, after "gasoline" insert "after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal"

Page 15, line 2, after the period insert "This subdivision does not apply to the measurement of petroleum products transferred, sold, or traded between refineries, between refineries and terminals, or between terminals."

Page 16, line 16, delete everything after "commission"

Page 16, delete lines 17 and 18

Page 16, line 19, delete everything before the period and insert "an attestation engagement performed by a certified public accountant to investigate compliance with this section and with EPA oxygenated fuel requirements"

Page 16, line 22, delete "30" and insert "120"

Page 17, line 16, delete "15 through February 15" and insert "1 through January 31"

Page 21, line 35, delete "registered" and insert "approved"

Page 26, delete section 53

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 3, delete "appropriating"

Page 1, line 4, delete "money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2734, A bill for an act relating to agriculture; the Minnesota rural finance authority; providing for establishment of an agricultural improvement loan program for grade B dairy producers; appropriating money and authorizing the issuance of state bonds to fund the program; amending Minnesota Statutes 1990, section 41B.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 41B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 18E.03, subdivision 5, is amended to read:

Subd. 5. [FEE AFTER 1990.] (a) The response and reimbursement fee for calendar years after calendar year 1990 consists of the surcharges in this subdivision and shall be collected by the commissioner. The amount of the response and reimbursement fee shall be determined and imposed annually as required under subdivision 3. The amount of the surcharges shall be proportionate to the surcharges in subdivision 4.

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the registration application fee under section 18B.26, subdivision 3, as a percent of gross sales of the pesticide in the state and sales of the pesticide for use in the state during the previous calendar year, except the surcharge may not be imposed on pesticides that are sanitizers or disinfectants as determined by the commissioner. No surcharge is required if the surcharge amount based upon percent of annual gross sales is less than $10. Corrective action costs incurred in responding to incidents involving sanitizers or disinfectants are ineligible for reimbursement or payment under this chapter. The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under section 18B.26, subdivision 3, paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the surcharge in this paragraph if the registrant properly documents the sale locations and the distributors.

(c) The commissioner shall impose a fee per ton surcharge on the inspection fee under section 18C.425, subdivision 6, for fertilizers, soil amendments, and plant amendments.

(d) The commissioner shall impose a surcharge on the application fee of persons licensed under chapters 18B and 18C consisting of:

(1) a surcharge for each site where pesticides are stored or distributed, to be imposed as a surcharge on pesticide dealer application fees under section 18B.31, subdivision 5;

(2) a surcharge for each site where a fertilizer, plant amendment, or soil amendment is distributed, to be imposed on persons licensed under sections 18C.415 and 18C.425;

(3) a surcharge to be imposed on a structural pest control applicator license application under section 18B.32, subdivision 6, for business license applications only;

(4) a surcharge to be imposed on commercial applicator license application fees under section 18B.33, subdivision 7;

(5) a surcharge to be imposed on noncommercial applicator license application fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a noncommercial applicator that is a state agency, a political subdivision of the state, the federal government, or an agency of the federal government; and

(6) a surcharge for licensed lawn service applicators under chapter 18B or 18C, to be imposed on license application fees.

(e) If a person has more than one license for a site, only one surcharge may be imposed to cover all the licenses for the site.

(f) A $1,000 fee shall be imposed on each site where pesticides are stored and sold for use outside of the state unless:

(1) the distributor properly documents that it has less than $2,000,000 per year in wholesale value of pesticides stored and transferred through the site; or

(2) the registrant pays the surcharge under paragraph (b) and the registration fee under section 18B.26, subdivision 3, for all of the pesticides stored at the site and sold for use outside of the state.

Sec. 2. Minnesota Statutes 1990, section 32.21, is amended to read:

32.21 [ADULTERATED ~~MILK AND CREAM~~ DAIRY PRODUCTS.]

Subdivision 1. [PURCHASE AND SALE PROHIBITION.] A person may not sell or knowingly buy adulterated ~~milk or cream~~ dairy products.

Subd. 2. [MANUFACTURE OF FOOD FOR HUMAN CONSUMPTION FROM ADULTERATED MILK OR CREAM PROHIBITED.] An article of food for human consumption may not be manufactured from adulterated milk or cream, except as provided in section 32.22 or the federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 301 et seq., and related federal regulations.

Prior to processing milk, all bulk milk pickup tankers must be tested for the presence of beta lactum drug residues and for other residues as determined necessary by the commissioner. Test methods must be those approved by the Association of Analytical Chemists (AOAC) or under the AOAC C2 program. Bulk milk tankers testing positive must be reported to the commissioner or the commissioner's agent within 24 hours. This report must include how and where the

milk was disposed of, the volume, the responsible producer, and the possible cause of the violative residue. All milk sample residue results must be recorded and retained for examination by the commissioner or the commissioner's agent for six months by the receiving plant. Milk received from a producer in other than a bulk milk pickup tanker is also subject to this section.

Subd. 3. [ADULTERATED MILK ~~OR CREAM~~.] For purposes of this section and section 32.22, milk ~~or cream~~ is adulterated if it:

(1) ~~milk~~ is drawn in a filthy or unsanitary place;

(2) ~~milk~~ is drawn from unhealthy or diseased cows;

(3) ~~milk~~ is drawn from cows that are fed garbage or an unwholesome animal or vegetable substance;

(4) ~~milk~~ is drawn from cows within 15 days before calving, or five days after calving;

(5) ~~milk or cream~~ contains water in excess of that normally found in milk;

(6) contains a substance that is not a normal constituent of the milk ~~or cream, as determined by laboratory procedures established by rule or~~ except as allowed in this chapter;

~~(6) milk contains water in excess of that normally present in milk;~~ or

(7) ~~milk or cream~~ contains ~~antibiotics~~ drug residues or other ~~bacterial inhibitory~~ chemical or biological substances in amounts above the ~~actionable~~ tolerances or safe levels established by rule or under section 32.415.

Subd. 4. [PENALTIES.] (a) A person, other than a milk producer, who violates this section is guilty of a misdemeanor or subject to a civil penalty up to $1,000.

(b) A milk producer may not change milk plants within 30 days, without permission of the commissioner, after receiving notification from the commissioner under paragraph (c) or (d) that the milk producer has violated this section.

(c) A milk producer who violates ~~this section shall be subject to a civil penalty of $100. The commissioner must notify the person violating this section by certified mail stating:~~

~~(1) the milk producer violating this section is on probation for one year after the date of violation; and~~

~~(2) the $100 civil penalty is suspended unless the milk producer violates this section during the probation period, including changing milk plants within 30 days after the violation.~~

~~(d) A milk producer who violates this section a second time within a 12-month period is subject to a $200 civil penalty. The commissioner must notify the milk producer violating this section stating:~~

~~(1) the milk producer is still on probation;~~

~~(2) the $200 civil penalty is suspended, unless the milk producer violates this section during the probation period, including changing milk plants within 30 days after the violation; and~~

~~(3) the consequences of a third violation.~~

~~(e) A milk producer who violates this section three or more times within a 12-month period is subject to a fine of $300.~~

~~(f) Penalties collected under this section shall be deposited in the milk inspection service account created in section 32.394, subdivision 9.~~ subdivision 3, clause (1), (2), (3), (4), or (5), is subject to clauses (1) to (3) of this paragraph.

(1) Upon notification of the first violation, the producer must meet with the dairy plant field service representative to initiate corrective action within 30 days.

(2) Upon the second violation within a 12-month period, the producer is subject to a civil penalty of $300. The commissioner shall notify the producer by certified mail stating the penalty is payable in 30 days, the consequences of failure to pay the penalty, and the consequences of future violations.

(3) Upon the third violation within a 12-month period, the producer is subject to an additional civil penalty of $300 and possible revocation of the producer's permit or certification. The commissioner shall notify the producer by certified mail that all civil penalties owed must be paid within 30 days and that the commissioner is initiating administrative procedures to revoke the producer's permit or certification to sell milk for at least 30 days.

(d) The producer's shipment of milk must be immediately suspended if the producer is identified as an individual source of milk containing residues in violation of subdivision 3, clause (6) or (7). Shipment may resume only after subsequent milk has been sampled by the commissioner or the commissioner's agent and found to contain no residues above established tolerances or safe levels. A milk producer who violates subdivision 3, clause (6) or (7), is subject to clauses (1) to (3) of this paragraph.

(1) For the first violation in a 12-month period, a producer shall not receive payment for any milk contaminated or the equivalent of at least the value of two days' milk production on that farm. Milk purchased for use from the producer during the two-day penalty period will be assessed a civil penalty equal to the minimum value of that milk and is payable to the commissioner by the dairy plant or marketing organization who purchases the milk. The producer remains eligible only for manufacturing grade until the producer completes the "Milk and Dairy Beef Residue Prevention Protocol" with a licensed veterinarian, displays the signed certificate in the milkhouse, and sends verification to the commissioner. To maintain a permit or certification to market milk, this program must be completed within 30 days.

(2) For the second violation in a 12-month period, a producer shall not receive payment for any milk contaminated or the equivalent of at least the value of four days' milk production on that farm. Milk purchased for use from the producer during the four-day penalty period will be assessed a civil penalty equal to the minimum value of that milk and is payable to the commissioner by the dairy plant or marketing organization who purchases the milk. The producer remains eligible only for manufacturing grade until the producer reviews the "Milk and Dairy Beef Residue Prevention Protocol" with a licensed veterinarian, displays the updated certificate in the milkhouse, and sends verification to the commissioner. To maintain a permit or certification to market milk, this program must be reviewed within 30 days.

(3) For the third violation in a 12-month period, a producer shall not receive payment for any milk contaminated or the equivalent of at least the value of four days' milk production on that farm. Milk purchased for use from the producer during the four-day penalty period will be assessed a civil penalty equal to the minimum value of that milk and is payable to the commissioner by the dairy plant or marketing organization who purchases the milk. The producer remains eligible only for manufacturing grade until the producer reviews the "Milk and Dairy Beef Residue Prevention Protocol" with a licensed veterinarian, displays the updated certificate in the milkhouse, and sends verification to the commissioner. To maintain a permit or certification to market milk, this program must be reviewed within 30 days. The commissioner shall also notify the producer by certified mail that the commissioner is initiating administrative procedures to revoke the producer's permit or certification to sell milk for a minimum of 30 days.

(e) A milk producer that has been certified as completing the "Milk and Dairy Beef Residue Prevention Protocol" within 12 months of the first violation of subdivision 3, clause (7), need only review the cause of the violation with a field service representative within three days to maintain shipping status if all other requirements of this section are met.

(f) Civil penalties collected under this section must be deposited in the milk inspection services account established in this chapter.

Sec. 3. Minnesota Statutes 1990, section 41B.02, is amended by adding a subdivision to read:

Subd. 19. [AGRICULTURAL IMPROVEMENTS.] "Agricultural improvements" means improvements to a farm, including the purchase and construction or installation of improvements to land, buildings, and other permanent structures, including equipment incorporated in or permanently affixed to the land, buildings, or structures, which are useful for and intended to be used for the purpose of farming. "Agricultural improvements" does not include equipment not affixed to real estate or improvements or additions to that equipment.

Sec. 4. [41B.043] [AGRICULTURAL IMPROVEMENT LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The authority may establish, adopt rules for, and implement an agricultural improvement loan program to finance agricultural improvements. Loans may be made to borrowers who meet the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in farming. In the first two years of the program, only projects in the first and second priority categories may be funded. First priority for all loans must be given to grade B dairy farmers wishing to upgrade to grade A. Second priority must be for financing waste management facilities for livestock operations.

Subd. 2. [SPECIFICATIONS.] No loan may exceed $20,000, or be made to refinance an existing debt. Each loan must be secured by a mortgage on real property comprising all or part of the farm on which the improvements are made, and such other security as the authority may require.

Subd. 3. [APPLICATION AND ORIGINATION FEE.] The authority may impose a reasonable nonrefundable application fee for each application and an origination fee for each loan issued under the agricultural improvement loan program. The origination fee initially shall be set at 1.5 percent and the application fee at $50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in a special account and appropriated to the commissioner for administrative expenses for the agricultural improvement loan program.

Subd. 4. [INTEREST RATE.] Unless the authority determines that it is not in the best interests of the agricultural improvement loan program, the interest rate per annum on the agricultural improvement loan must be that rate of interest determined by the authority to be necessary to provide for the timely payment of

principal and interest when due on bonds or other obligations of the authority issued pursuant to chapter 41B to provide financing for loans made under the agricultural improvement loan program, and to provide for reasonable and necessary costs of issuing, carrying, administering, and securing the bonds or notes and to pay the costs incurred and to be incurred by the authority in the implementation of the agricultural improvement loan program.

Sec. 5. [AGRICULTURAL IMPROVEMENT LOAN PROGRAM FUNDING.]

Subdivision 1. [APPROPRIATION.] $5,000,000 is appropriated to the Minnesota rural finance authority from the bond proceeds fund to fund the agency's agricultural improvement loan program.

Subd. 2. [BONDS.] The appropriation made under subdivision 1 must be funded by the issuance of general obligation bonds as provided in Minnesota Statutes, section 41B.19. The $5,000,000 authorized in subdivision 1 is part of the $50,000,000 bond authorization provided for in Minnesota Statutes, section 41B.19, subdivision 1. The bonds must be issued and sold in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and the Minnesota Constitution, article XI. Bond maturity should be matched to the terms of the loans made under this program. The legislature determines that the bonds are being issued to develop the state's agricultural resources by extending credit on real estate security.

Sec. 6. [EFFECTIVE DATE.]

Sections 3 to 5 are effective the day following final enactment. Section 2 is effective July 1, 1992."

Delete the title and insert:

"A bill for an act relating to agriculture; the Minnesota rural finance authority; providing for establishment of an agricultural improvement loan program for grade B dairy producers; changing pesticide reimbursement provisions; regulating adulterated dairy products; imposing civil penalties; appropriating money and authorizing the issuance of state bonds to fund the program; amending Minnesota Statutes 1990, sections 32.21; and 41B.02, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 18E.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 41B."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2950, A bill for an act relating to commerce; regulating the real estate, education, research, and recovery fund; amending Minnesota Statutes 1990, sections 80A.14, subdivision 4; 82.19, by adding a subdivision; and 82.34, subdivisions 3, 4, 7, 9, 11, 13, and 14; repealing Minnesota Statutes 1990, section 82.34, subdivision 20.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1 and insert:

"Section 1. [80A.041] [EXEMPTION.]

A real estate broker or agent licensed under chapter 82 who arranges for the sale of a contract for deed is exempt from the license requirement of section 80A.04 if the real estate broker or agent receives no additional compensation and represents the seller, buyer, lessor, or lessee in the sale, lease, or exchange of the subject property."

Amend the title as follows:

Page 1, lines 4 and 5, delete "80A.14, subdivision 4;"

Page 1, line 6, after the semicolon insert "proposing coding for new law in Minnesota Statutes, chapter 80A;"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 769, 2050, 2283, 2643, 2717, 2723, 2734 and 2950 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2213, 2314, 2396, 2434 and 2743 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Dille and Trimble introduced:

H. F. No. 3039, A resolution memorializing the United States Environmental Protection Agency to replace its regulation for testing water wells with one that gives states the freedom to run their own safe drinking water programs.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

HOUSE ADVISORIES

The following House Advisory was introduced:

Abrams introduced:

H. A. No. 47, A proposal to study ways to improve the audio system in the House chambers.

The advisory was referred to the Committee on Rules and Legislative Administration.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 2647, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1990, sections 11A.23, subdivision 2; 13.791; 82B.20, subdivision 2; 86B.115; 86B.601, subdivision 1; 88.45; 103I.112; 115A.63, subdivision 3; 115A.82; 116J.70, subdivision 2a; 176.1041, subdivision 1; 176.361, subdivision 2; 177.23, subdivision 7; 183.38, subdivision 1; 214.01, subdivision 2; 268A.09, subdivision 7; 290.10; 297A.15, subdivision 5; 298.402; 298.405, subdivision 1; 326.405; 326.43; 348.13; 352.116,

subdivision 3b; 352B.10, subdivision 5; 352B.105; 356.24; 356.82; 466.131; 504.02; 514.53; 517.08, subdivision 1c; and 609.0331; Minnesota Statutes 1991 Supplement, sections 3.873, subdivision 6; 16B.122, subdivision 2; 60D.20, subdivision 1; 60G.01, subdivision 2; 116.072, subdivision 1; 116J.693, subdivision 2; 124.19, subdivision 1; 124.479; 169.983; 171.06, subdivision 3; 179A.10, subdivision 2; 256.969, subdivisions 2 and 3a; 256B.74, subdivision 2; 256H.03, subdivision 5; 272.01, subdivision 2; 272.02, subdivision 1; 275.50, subdivision 5; 340A.4055; 457A.01, subdivision 5; 473.845, subdivision 3; and 611A.02, subdivision 2; reenacting Minnesota Statutes 1991 Supplement, section 256B.431, subdivision 3f; repealing Minnesota Statutes 1990, section 326.01, subdivision 20; Laws 1989, chapter 282, article 2, section 188; Laws 1991, chapters 182, section 1; and 305, section 10.

H. F. No. 2756, A bill for an act relating to the city of Virginia; authorizing annual increases in survivor benefits payable by the Virginia firefighters relief association.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1849, A bill for an act relating to crime; anti-violence education, prevention and treatment; increasing penalties for repeat sex offenders; providing for life imprisonment for certain repeat sex offenders; providing for life imprisonment without parole for certain persons convicted of first degree murder; increasing penalties for other violent crimes and crimes committed against children; increasing supervision of sex offenders; providing a fund for sex offender treatment; eliminating the "good time" reduction in prison sentences; allowing the extension of prison terms for disciplinary violations in prison; authorizing the commissioner of corrections to establish a "boot camp" program; authorizing the imposition of fees for local correctional services on offenders; requiring the imposition of minimum fines on convicted offenders; providing for HIV testing of certain sex offenders; expanding certain crime victim rights; providing programs for victim-offender mediation; enhancing protection of domestic abuse victims; authorizing secure confinement of dangerous juvenile offenders; creating a civil cause of action for minors used in a sexual performance; providing for a variety of anti-violence education, prevention, and treatment programs; authorizing the issuance of state bonds for a variety of projects; appropriating money; amending Minnesota Statutes 1990, sections 13.87, subdivision 2; 72A.20, by adding a subdivision; 121.882, by adding a subdivision; 127.46; 135A.15; 241.021, by adding a subdivision; 241.67, subdivisions 1, 2, 3, 6, and by adding a subdivision;

242.19, subdivision 2; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 245.4871, by adding a subdivision; 254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision; 259.11; 260.151, subdivision 1; 260.155, subdivision 1, and by adding a subdivision; 260.172, by adding a subdivision; 260.181, by adding a subdivision; 260.185, subdivisions 1 and 4; 260.311, by adding a subdivision; 270A.03, subdivision 5; 299A.37; 299A.40, subdivision 3; 332.51, subdivisions 1 and 5; 401.02, subdivision 4; 485.018, subdivision 5; 518B.01, subdivisions 7 and 13; 546.27, subdivision 1; 595.02, subdivision 4; 609.02, by adding a subdivision; 609.10; 609.101, by adding a subdivision; 609.115, subdivision 1a; 609.125; 609.135, subdivision 5, and by adding subdivisions; 609.1352, subdivisions 1 and 5; 609.152, subdivisions 2 and 3; 609.184, subdivision 2; 609.19; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.322; 609.323; 609.342; 609.343; 609.344, subdivisions 1 and 3; 609.345, subdivisions 1 and 3; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.3471; 609.378, subdivision 1, and by adding a subdivision; 609.40, subdivision 1; 609.605, by adding a subdivision; 609.747, subdivision 2; 611A.03, subdivision 1; 611A.52, subdivision 8; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 629.72, by adding a subdivision; 630.36, subdivision 1, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 3.873, subdivisions 1, 5, 7, and by adding a subdivision; 8.15; 121.882, subdivision 2; 124A.29, subdivision 1; 126.70, subdivisions 1 and 2a; 243.166, subdivisions 1, 2, and 3; 244.05, subdivision 6; 244.12, subdivision 3; 245.484; 245.4884, subdivision 1; 299A.30; 299A.31, subdivision 1; 299A.32, subdivisions 2 and 2a; 299A.36; 518B.01, subdivisions 3a, 6, and 14; 609.135, subdivision 2; Laws 1991, chapter 232, section 5; proposing coding for new law in Minnesota Statutes, chapters 126; 145; 145A; 169; 241; 244; 256; 256F; 260; 299A; 609; 611A; 617; and 629.

The Senate has appointed as such committee:

Messrs. Spear, Kelly and McGowan; Ms. Ranum and Mr. Marty.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2113, A bill for an act relating to traffic regulations; authorizing the operation of flashing lights and stop arms on school buses transporting persons age 18 and under to and from certain

activities; authorizing revolving safety lights on rural mail carrier vehicles; requiring school bus sign on school bus providing such transportation; amending Minnesota Statutes 1991 Supplement, sections 169.441, subdivision 3; 169.443, subdivision 3, and by adding a subdivision; and 169.64, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Orenstein moved that the House refuse to concur in the Senate amendments to H. F. No. 2113, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2257, A bill for an act relating to agricultural development; redefining agricultural business enterprise for purposes of the Minnesota agricultural development act; amending Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Sams, Davis and Renneke.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Winter moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2257. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2728, A bill for an act relating to agriculture; establishing a state over-order premium milk price for dairy farmers for

certain milk; proposing coding for new law in Minnesota Statutes, chapter 32A.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Sams, Waldorf and Renneke.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wenzel moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2728. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2430, A bill for an act relating to the environment; adding sanctions and procedures relating to petroleum tank release consultants and contractors; amending Minnesota Statutes 1990, sections 115C.02, by adding subdivisions; 115C.03, by adding a subdivision; 116.48, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 115C.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Sams, Finn and Novak.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Krueger moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2430. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1722, A bill for an act relating to state lands; providing for the release of a state interest in certain property in the city of Minneapolis.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Kroening, Merriam and Gustafson.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jefferson moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1722. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2136, A bill for an act relating to labor; protecting interests of employees following railroad acquisitions; imposing a penalty; amending Minnesota Statutes 1990, sections 222.86, subdivision 3; 222.87, by adding a subdivision; and 222.88.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Mondale, Solon and Halberg.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Farrell moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate

on the disagreeing votes of the two houses on S. F. No. 2136. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Ogren requested immediate consideration of H. F. No. 2800.

H. F. No. 2800 was reported to the House.

Ogren, Greenfield, Welle, Long, Gruenes, Stanius and Dempsey moved to amend H. F. No. 2800, the third engrossment, as follows:

Page 2, after line 9, insert:

"Subd. 2. [CLINICAL EFFECTIVENESS.] "Clinical effectiveness" means that the use of a particular medical technology improves patient clinical status, as measured by medical condition, survival rates, and other variables, and that the use of the particular technology demonstrates a clinical advantage over alternative technologies."

Page 2, after line 14, insert:

"Subd. 4. [COST-EFFECTIVENESS.] "Cost effectiveness" means that the economic costs of using a particular technology to achieve improvement in a patient's health outcome are justified given a comparison to both the economic costs and the improvement in patient health outcome resulting from the use of alternative technologies."

Page 2, after line 28, insert:

"Subd. 5. [IMPROVEMENT IN HEALTH OUTCOME.] "Improvement in health outcome" means an improvement in patient clinical status, and an improvement in patient quality-of-life status, as measured by ability to function, ability to return to work, and other variables."

Renumber the subdivisions in sequence.

Page 4, line 16, delete "designate" and insert "develop"

Page 6, line 36, delete "standards" and insert "parameters"

Page 7, line 26, after "NUMBER" insert "; GENDER AND GEOGRAPHIC BALANCE"

Page 7, line 29, after the period, insert "The governor and legislature shall coordinate appointments under this subdivision to ensure gender balance and ensure that geographic areas of the state are represented in proportion to their population."

Page 8, line 4, delete "council of hospital corporations" and insert "Council of Hospital Corporations"

Page 10, line 13, after "new" insert ", high cost"

Page 10, line 14, before the semicolon insert ", excluding wearable or implantable medical devices that have been approved by the United States Food and Drug Administration"

Page 10, line 16, after "new" insert ", high cost"

Page 13, line 1, delete "and" and insert "of"; after "health" insert "and"; after "Minnesota" insert "health"

Page 13, delete lines 3 to 23

Renumber the subdivisions in sequence.

Page 14, line 17, after "other" insert "high cost"; before "health" insert "high cost"

Page 14, line 18, before the first comma insert ", excluding wearable or implantable medical devices that have been approved by the United States Food and Drug Administration"

Page 14, after line 22, insert:

"(1) make recommendations on the types of high cost technologies, procedures, and capital expenditures for which a plan for statewide use and distribution should be made;"

Renumber the clauses in sequence.

Page 14, line 23, after "new" insert ", high cost"

Page 14, line 25, delete everything after "consideration" and insert "clinical effectiveness, cost-effectiveness, and health outcome;"

Page 14, delete lines 26 and 27

Page 14, line 30, after "existing" insert "high cost"

Page 15, lines 7 to 8, delete "An important factor contributing" and insert "One of the factors that is believed to contribute"

Page 17, line 19, before the period insert ", excluding wearable or implantable medical devices"

Page 18, line 12, after "cost-effective" insert ", clinically effective, and do not improve health outcomes,"

Page 18, line 13, delete "recommend" and insert "require those health care providers to follow the procedures for prospective review and approval established in subdivision 6.

Subd. 6. [PROSPECTIVE REVIEW AND APPROVAL.] (a) The commissioner shall prohibit those health care providers subject to prospective review and approval under subdivision 5 from making future major spending commitments or capital expenditures that are required to be reported under subdivision 4 for a period of up to five years, unless: (1) the provider has filed an application to proceed with the major spending commitment or capital expenditure with the commissioner and provided supporting documentation and evidence requested by the commissioner; and (2) the commissioner determines, based upon this documentation and evidence, that the spending commitment or capital expenditure is appropriate. The commissioner shall make a decision on a completed application within 60 days after an application is submitted. The Minnesota health care commission shall convene an expert review panel made up of persons with knowledge and expertise regarding medical equipment, specialized services, and health care expenditures to review applications and make recommendations to the commissioner and the commission.

(b) A provider may make a major spending commitment to replace existing equipment with comparable equipment, if the old equipment will no longer be used in the state. A provider may make a major spending commitment to repair, remodel, or replace existing buildings or fixtures if, in the judgment of the commissioner, the project does not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided.

(c) This subdivision does not apply to mergers, acquisitions, and other changes in ownership or control that, in the judgment of the commissioner, do not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided."

Page 18, delete lines 14 to 27

Page 71, line 26, before the period, insert "or a similar tax on

premiums imposed upon entities operating under chapter 62C or 62D"

Page 71, line 28, delete "the tax imposed by those sections" and insert "a tax described in this paragraph"

Page 72, line 29, before the period, insert ", except that the program is and must remain a contributing member of the comprehensive health association established in section 62E.10"

Page 77, line 26, delete "65" and insert "75"

Page 78, line 6, delete "a 70" and insert "an 80"

Page 86, line 17, after the comma, insert "the pooled employers insurance program established in section 43A.317,"

Page 86, line 30, after the comma, insert "the pooled employers insurance program established in section 43A.317,"

Page 98, line 33, delete everything after "whose"

Page 98, line 34, delete everything before "income"; delete "less" and insert "greater"

Page 98, line 35, delete "percentage limit" and insert "limits"

Page 99, line 14, delete everything after "whose"

Page 99, line 15, delete everything before "income"; delete "less" and insert "greater"; delete "percentage determined" and insert "limits established"

Page 110, line 22, before "The" insert "Subdivision 1. [SOLE COMMUNITY HOSPITAL FINANCIAL ASSISTANCE GRANTS.]"

Page 110, after line 33, insert:

"Subd. 2. [GRANTS TO AT-RISK RURAL HOSPITALS TO OFFSET THE IMPACT OF THE HOSPITAL TAX.] The commissioner of health shall award financial assistance grants to rural hospitals that would otherwise close as a direct result of the hospital tax in article 10, section 4. To be eligible for a grant, a hospital must have 100 or fewer beds and must not be located in a city of the first class. To receive a grant, the hospital must demonstrate to the satisfaction of the commissioner of health that the hospital will close in the absence of state assistance under this subdivision and that the hospital tax is the principal reason for the closure. The amount of the grant must not exceed the amount of the tax the hospital would

pay under article 10, section 4, based on the previous year's hospital revenues."

Pages 199 to 202, delete sections 3 to 9 and insert:

"HOSPITALS AND HEALTH CARE PROVIDERS

Sec. 3. [295.50] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 295.50 to 295.58, the following terms have the meanings given.

Subd. 2. [COMMISSIONER.] "Commissioner" is the commissioner of revenue.

Subd. 3. [GROSS REVENUES.] "Gross revenues" are total amounts received in money or otherwise by:

(1) a resident hospital for inpatient or outpatient services as defined in Minnesota Rules, part 4650.0102, subparts 21 and 29;

(2) a nonresident hospital for inpatient or outpatient services as defined in Minnesota Rules, part 4650.0102, subparts 21 and 29, provided to patients domiciled in Minnesota;

(3) a resident health care provider, other than a health maintenance organization, for covered services listed in section 256B.0625;

(4) a nonresident health care provider for covered services listed in section 256B.0625 provided to an individual domiciled in Minnesota;

(5) a wholesale drug distributor for sale or distribution of prescription drugs that are delivered in Minnesota by the distributor or a common carrier, unless the prescription drugs are delivered to another wholesale drug distributor; and

(6) a health maintenance organization as gross premiums for enrollees, carrier copayments, and other fees for services provided.

Subd. 4. [HEALTH CARE PROVIDER.] "Health care provider" is a vendor of medical care qualifying for reimbursement under the medical assistance program provided under chapter 256B, and includes health maintenance organizations but excludes hospitals and pharmacies.

Subd. 5. [HMO.] "Health maintenance organization" is a nonprofit corporation licensed and operated as provided in chapter 62D.

Subd. 6. [HOME HEALTH CARE SERVICES.] "Home health care services" are services:

(1) defined under the state medical assistance program as home health agency services, personal care services and supervision of personal care services, private duty nursing services, and waivered services; and

(2) provided at a recipient's residence, if the recipient does not live in a hospital, nursing facility, as defined in section 62A.46, subdivision 3, or intermediate care facility for persons with mental retardation as defined in section 256B.055, subdivision 12, paragraph (d).

Subd. 7. [HOSPITAL.] "Hospital" is a hospital licensed under chapter 144, a hospital providing inpatient or outpatient services licensed by any other state or province or territory of Canada or a surgical center.

Subd. 8. [NONRESIDENT HEALTH CARE PROVIDER.] "Nonresident health care provider" means a health care provider that is not a resident health care provider.

Subd. 9. [NONRESIDENT HOSPITAL.] "Nonresident hospital" means a hospital physically located outside Minnesota.

Subd. 10. [PHARMACY.] "Pharmacy" means a pharmacy, as defined in section 151.01, if the only goods or services the pharmacy sells that qualify for reimbursement under the medical assistance program under chapter 256B are drugs and prosthetics.

Subd. 11. [RESIDENT HEALTH CARE PROVIDER.] "Resident health care provider" means a health care provider whose principal place of dispensing health care is in Minnesota.

Subd. 12. [RESIDENT HOSPITAL.] "Resident hospital" means a hospital physically located inside Minnesota.

Subd. 13. [SURGICAL CENTER.] "Surgical center" is an outpatient surgical center as defined in Minnesota Rules, chapter 4675 or a similar facility located in any other state or province or territory of Canada.

Subd. 14. [WHOLESALE DRUG DISTRIBUTOR.] "Wholesale drug distributor" means a wholesale drug distributor required to be licensed under sections 151.42 to 151.51.

Sec. 4. [295.51] [MINIMUM CONTACTS REQUIRED FOR JURISDICTION TO TAX GROSS REVENUE.]

Subdivision 1. [BUSINESS TRANSACTIONS IN MINNESOTA.] A hospital or health care provider is subject to tax under sections 295.50 to 295.58 if it is "transacting business in Minnesota." A hospital or health care provider is transacting business in Minnesota only if it:

(1) maintains an office in Minnesota;

(2) has employees, representatives, or independent contractors conducting business in Minnesota;

(3) regularly sells covered services to customers that receive the covered services in Minnesota;

(4) regularly solicits business from potential customers in Minnesota;

(5) regularly performs services outside Minnesota the benefits of which are consumed in Minnesota;

(6) owns or leases tangible personal or real property physically located in Minnesota; or

(7) receives medical assistance payments from the state of Minnesota.

Subd. 2. [PRESUMPTION.] A hospital or health care provider is presumed to regularly solicit business within Minnesota if it receives gross receipts for covered services from 20 or more patients domiciled in Minnesota in a calendar year.

Sec. 5. [295.52] [TAXES IMPOSED.]

Subdivision 1. [HOSPITAL TAX.] A tax is imposed on each hospital equal to two percent of its gross revenues.

Subd. 2. [PROVIDER TAX.] A tax is imposed on each health care provider equal to two percent of its gross revenues.

Subd. 3. [WHOLESALE DRUG DISTRIBUTOR TAX.] A tax is imposed on each wholesale drug distributor equal to two percent of its gross revenues.

Subd. 4. [USE TAX; PRESCRIPTION DRUGS.] A person that receives prescription drugs for resale or use in Minnesota, other than from a wholesale drug distributor that paid the tax under subdivision 3, is subject to a tax equal to two percent of the price paid. Liability for the tax is incurred when prescription drugs are received in Minnesota by the person.

Sec. 6. [295.53] [EXEMPTIONS; SPECIAL RULES.]

Subdivision 1. [EXEMPTIONS.] The following payments are excluded from the gross revenues subject to the hospital or health care provider taxes under sections 295.50 to 295.57:

(1) payments received from the federal government for services provided under the Medicare program, excluding enrollee deductible and coinsurance payments;

(2) medical assistance payments;

(3) payments received for services performed by a nursing home licensed under chapter 144A, services provided in an intermediate care facility for persons with mental retardation, and home health care services;

(4) payments received from hospitals for services that are subject to tax under section 295.52;

(5) payments received from health care providers for services that are subject to tax under section 295.52;

(6) amounts paid for prescription drugs to a wholesale drug distributor reduced by reimbursements received for prescription drugs under clauses (1), (2), (7), and (8);

(7) payments received under the general assistance medical care program; and

(8) payments received for providing services under the health right program under article 4.

Subd. 2. [DEDUCTIONS FOR HMOS.] (a) In addition to the exemptions allowed under subdivision 1, a health maintenance organization may deduct from its gross revenues for the year:

(1) amounts added to reserves, if total reserves do not exceed 25 percent of gross revenues for the prior year;

(2) assessments for the comprehensive health insurance plan under section 62E.11 paid during the year; and

(3) an allowance for administration and underwriting.

(b) The commissioner of commerce, in consultation with the commissioners of health and revenue, shall establish by rule under chapter 14 the percentage of health maintenance revenue that will be allowed as a deduction for administrative and underwriting expenses. The commissioner of commerce shall determine the per-

centage allowance based on the average expenses of health maintenance organizations that are equivalent to the claims administration and other underwriting services of third party payors. These expenses do not include the portion of health maintenance organization costs that are similar to the administrative costs of direct health care providers, rather than third party payors, and do not include costs deductible under paragraph (a), clauses (1) and (2). The commissioner of commerce may adopt emergency rules.

Subd. 3. [RESTRICTION ON ITEMIZATION.] A hospital or health care provider must not separately state the tax obligation under section 295.52 on bills provided to individual patients.

Sec. 7. [295.54] [CREDIT FOR TAXES PAID TO ANOTHER STATE.]

A resident hospital or resident health care provider who is liable for taxes payable to another state or province or territory of Canada measured by gross receipts and is subject to tax under section 295.52 is entitled to a credit for the tax paid to another state or province or territory of Canada to the extent of the lesser of (1) the tax actually paid to the other state or province or territory of Canada, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing jurisdictions.

Sec. 8. [295.55] [PAYMENT OF TAX.]

Subdivision 1. [SCOPE.] The provisions of this section apply to the taxes imposed under sections 295.50 to 295.58.

Subd. 2. [ESTIMATED TAX; HOSPITALS.] (a) Each hospital must make estimated payments of the taxes for the calendar year in monthly installments to the commissioner within ten days after the end of the month.

(b) Estimated tax payments are not required if the tax for the calendar year is less than $500 or if the hospital has been allowed a grant under section 144.1484, subdivision 2 for the year.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of one-twelfth of the tax for the calendar year or (2) the tax for the actual gross revenues received during the month.

Subd. 3. [ESTIMATED TAX; OTHER TAXPAYERS.] (a) Each taxpayer, other than a hospital, must make estimated payments of the taxes for the calendar year in quarterly installments to the

commissioner by April 15, July 15, October 15, and January 15 of the following calendar year.

(b) Estimated tax payments are not required if the tax for the calendar year is less than $500.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of one-quarter of the tax for the calendar year or (2) the tax for the actual gross revenues received during the quarter.

Subd. 4. [ELECTRONIC FUNDS TRANSFER PAYMENTS.] A taxpayer with an aggregate tax liability of $60,000 or more during a calendar quarter ending the last day of March, June, September, or December must thereafter remit all liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, is on or before the date the tax is due. If the date the tax is due is not a funds-transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date is on or before the first funds-transfer business day after the date the tax is due.

Subd. 5. [ANNUAL RETURN.] The taxpayer must file an annual return reconciling the quarterly estimated payments by March 15 of the following calendar year.

Subd. 6. [FORM OF RETURNS.] The estimated payments and annual return must contain the information and be in the form prescribed by the commissioner.

Sec. 9. [295.57] [COLLECTION AND ENFORCEMENT; RULEMAKING; APPLICATION OF OTHER CHAPTERS.]

Unless specifically provided by sections 295.50 to 295.58, the enforcement, interest, and penalty provisions under chapter 294, appeal and criminal penalty provisions under chapter 289A, and collection and rulemaking provisions under chapter 270, apply to a liability for the taxes imposed under sections 295.50 to 295.58.

Sec. 10. [295.58] [DEPOSIT OF REVENUES.]

The commissioner shall deposit all revenues, including penalties and interest, derived from the taxes imposed by sections 295.50 to 295.57 in the health care access account in the general fund.

Sec. 11. [295.59] [SEVERABILITY.]

If any section, subdivision, clause, or phrase of sections 295.50 to 295.58 is for any reason held to be unconstitutional or in violation of federal law, the decision shall not affect the validity of the remaining portions of sections 295.50 to 295.58. The legislature declares that it would have passed sections 295.50 to 295.58 and each section, subdivision, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subdivisions, sentences, clauses, or phrases is declared unconstitutional.

Sec. 12. Minnesota Statutes 1991 Supplement, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~21.5~~ 24 mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, ~~43~~ 48 mills on each such cigarette.

Sec. 13. Minnesota Statutes 1991 Supplement, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] The commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~1.1~~ 1.0 percent from the face amount of the stamps for the first $1,500,000 of such stamps purchased in any fiscal year; and at a discount of ~~.65~~ .60 percent on the remainder of such stamps purchased in any fiscal year. The commissioner shall not sell stamps to any other person. The commissioner may prescribe the method of shipment of the stamps to the distributor as well as the quantities of stamps purchased.

Sec. 14. [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES.] A floor stocks tax is imposed on every person engaged in business in this state as a distributor, retailer, subjobber, vendor, manufacturer, or manufacturer's representative of cigarettes, on the stamped cigarettes in the person's possession or under the person's control at 12:01 a.m. on July 1, 1992. The tax is imposed at the following rates, subject to the discounts in section 297.03:

(1) on cigarettes weighing not more than three pounds a thousand, 2.5 mills on each cigarette; and

(2) on cigarettes weighing more than three pounds a thousand, five mills on each cigarette.

Each distributor, by July 8, 1992, shall file a report with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1992, and the amount of tax due on the cigarettes. The tax imposed by this section is due and payable by August 1, 1992, and after that date bears interest at the rate of one percent a month.

Each retailer, subjobber, vendor, manufacturer, or manufacturer's representative shall file a return with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1992, and pay the tax due thereon by August 1, 1992. Tax not paid by the due date bears interest at the rate of one percent a month.

Subd. 2. [AUDIT AND ENFORCEMENT.] The tax imposed by this section is subject to the audit, assessment, and collection provisions applicable to the taxes imposed under chapter 297C. The commissioner may require a distributor to receive and maintain copies of floor stock tax returns filed by all persons requesting a credit for returned cigarettes.

Subd. 3. [DEPOSIT OF PROCEEDS.] The revenue from the tax imposed under this section shall be deposited by the commissioner in the state treasury and credited to the health care access account in the general fund.

Sec. 15. [TEMPORARY DEPOSIT OF CIGARETTE TAX REVENUES.]

Notwithstanding the provisions of Minnesota Statutes, section 297.13, the revenue provided by 2.5 mills of the tax on cigarettes weighing not more than three pounds a thousand and five mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the health care access account in the general fund. This section applies only to revenue collected for sales after June 30, 1992, and before January 1, 1994. Revenue includes revenue from the tax, interest, and penalties collected under the provisions of Minnesota Statutes, sections 297.01 to 297.13.

This section expires June 30, 1994.

Sec. 16. [TRANSITION PROVISION; HOSPITAL TAX.]

For gross revenues taxable under section 5, subdivision 1, for calendar year 1993, the exclusions under section 6, subdivision 1, clauses (5) and (6) do not apply.

Sec. 17. [EFFECTIVE DATE.]

Section 2 is effective for taxable years beginning after December 31, 1992. Section 5, subdivision 1, is effective for gross revenues generated by services performed and goods sold after December 31, 1992. Section 5, subdivisions 2 to 4, are effective for gross revenues generated by services performed and goods sold after December 31, 1993. Sections 12 and 13 are effective July 1, 1992. Section 14 is effective the day following final enactment."

Amend the title accordingly

Ogren moved to amend the Ogren et al amendment to H. F. No. 2800, the third engrossment, as follows:

Page 3, after line 2 of the Ogren et al amendment, insert:

"Page 17, after line 23, insert:

(g) [NATIONAL REFERRAL CENTERS.] A major spending commitment may be made by a provider if the provider projects that at least 40 percent of the patients who will benefit from and pay for the capital expenditure, equipment purchase, or new specialized service are residents of another state based on historical patient service data."

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 98 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Krambeer	Onnen	Solberg
Battaglia	Girard	Krueger	Orfield	Sparby
Bauerly	Greenfield	Lasley	Ostrom	Stanius
Beard	Gruenes	Lieder	Ozment	Steensma
Begich	Gutknecht	Lourey	Pauly	Sviggum
Bertram	Hanson	Mariani	Pellow	Tompkins
Bettermann	Hartle	Marsh	Pelowski	Trimble
Bishop	Hasskamp	McEachern	Peterson	Tunheim
Bodahl	Hausman	McGuire	Pugh	Uphus
Carlson	Henry	McPherson	Reding	Vellenga
Carruthers	Jacobs	Milbert	Rest	Wagenius
Clark	Jefferson	Morrison	Rodosovich	Waltman
Cooper	Johnson, A.	Murphy	Runbeck	Weaver
Dauner	Johnson, R.	Nelson, K.	Sarna	Wejcman
Davids	Johnson, V.	Nelson, S.	Schafer	Welle
Dawkins	Kahn	Newinski	Schreiber	Wenzel
Dille	Kalis	O'Connor	Seaberg	Winter
Dorn	Kelso	Ogren	Segal	Spk. Long
Frederick	Kinkel	Olson, E.	Simoneau	
Frerichs	Knickerbocker	Olson, K.	Skoglund	

Those who voted in the negative were:

Abrams	Erhardt	Janezich	Macklin	Rukavina
Anderson, R.	Farrell	Jennings	Munger	Smith
Anderson, R. H.	Goodno	Koppendrayer	Olsen, S.	Swenson
Blatz	Haukoos	Krinkie	Omann	Thompson
Boo	Heir	Leppik	Orenstein	Valento
Brown	Hufnagle	Limmer	Osthoff	Welker
Dempsey	Hugoson	Lynch	Rice	

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

Ogren moved to amend the Ogren et al amendment, as amended, to H. F. No. 2800, the third engrossment, as follows:

Page 4, line 1 of the Ogren et al amendment, after "capacity" insert "in the state"

The motion prevailed and the amendment to the amendment, as amended, was adopted.

Bishop moved to amend the Ogren et al amendment, as amended, to H. F. No. 2800, the third engrossment, as follows:

Page 8, line 30 of the Ogren et al amendment, delete "and"

Page 8, line 32 of the Ogren et al amendment, delete the period and insert "; and"

Page 8, after line 32 of the Ogren et al amendment, insert:

"(9) revenues equal to qualified net expenditures by a not-for-profit hospital or health care provider for research programs and accredited education programs. Qualified net expenditures for purposes of this exemption are the product of the net expenditures multiplied by the percentage of gross revenues derived from Minnesota residents to the gross revenues of the entity. Net expenditures are total expenditures of the entity for research and education less the revenues, other than gross revenues, received for research and education."

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Janezich requested a division of the Ogren et al amendment, as amended, to H. F. No. 2800, the third engrossment.

The first portion of the Ogren et al amendment, as amended, to H. F. No. 2800, the third engrossment, reads as follows:

Page 2, after line 9, insert:

"Subd. 2. [CLINICAL EFFECTIVENESS.] "Clinical effectiveness" means that the use of a particular medical technology improves patient clinical status, as measured by medical condition, survival rates, and other variables, and that the use of the particular technology demonstrates a clinical advantage over alternative technologies."

Page 2, after line 14, insert:

"Subd. 4. [COST-EFFECTIVENESS.] "Cost effectiveness" means that the economic costs of using a particular technology to achieve improvement in a patient's health outcome are justified given a comparison to both the economic costs and the improvement in patient health outcome resulting from the use of alternative technologies."

Page 2, after line 28, insert:

"Subd. 5. [IMPROVEMENT IN HEALTH OUTCOME.] "Improvement in health outcome" means an improvement in patient clinical status, and an improvement in patient quality-of-life status, as measured by ability to function, ability to return to work, and other variables."

Renumber the subdivisions in sequence.

Page 4, line 16, delete "designate" and insert "develop"

Page 6, line 36, delete "standards" and insert "parameters"

Page 7, line 26, after "NUMBER" insert "; GENDER AND GEOGRAPHIC BALANCE"

Page 7, line 29, after the period, insert "The governor and legislature shall coordinate appointments under this subdivision to ensure gender balance and ensure that geographic areas of the state are represented in proportion to their population."

Page 8, line 4, delete "council of hospital corporations" and insert "Council of Hospital Corporations"

Page 10, line 13, after "new" insert ", high cost"

Page 10, line 14, before the semicolon insert ", excluding wearable or implantable medical devices that have been approved by the United States Food and Drug Administration"

Page 10, line 16, after "new" insert ", high cost"

Page 13, line 1, delete "and" and insert "of"; after "health" insert "and"; after "Minnesota" insert "health"

Page 13, delete lines 3 to 23

Renumber the subdivisions in sequence.

Page 14, line 17, after "other" insert "high cost"; before "health" insert "high cost"

Page 14, line 18, before the first comma insert ", excluding wearable or implantable medical devices that have been approved by the United States Food and Drug Administration,"

Page 14, after line 22, insert:

"(1) make recommendations on the types of high cost technologies, procedures, and capital expenditures for which a plan for statewide use and distribution should be made;"

Renumber the clauses in sequence.

Page 14, line 23, after "new" insert ", high cost"

Page 14, line 25, delete everything after "consideration" and insert "clinical effectiveness, cost-effectiveness, and health outcome;"

Page 14, delete lines 26 and 27

Page 14, line 30, after "existing" insert "high cost"

Page 15, lines 7 to 8, delete "An important factor contributing" and insert "One of the factors that is believed to contribute"

Page 17, line 19, before the period insert ", excluding wearable or implantable medical devices"

Page 17, after line 23, insert:

"(g) [NATIONAL REFERRAL CENTERS.] A major spending commitment may be made by a provider if the provider projects that at least 40 percent of the patients who will benefit from and pay for the

capital expenditure, equipment purchase, or new specialized service are residents of another state based on historical patient service data."

Page 18, line 12, after "cost-effective" insert ", clinically effective, and do not improve health outcomes,"

Page 18, line 13, delete "recommend" and insert "require those health care providers to follow the procedures for prospective review and approval established in subdivision 6.

Subd. 6. [PROSPECTIVE REVIEW AND APPROVAL.] (a) The commissioner shall prohibit those health care providers subject to prospective review and approval under subdivision 5 from making future major spending commitments or capital expenditures that are required to be reported under subdivision 4 for a period of up to five years, unless: (1) the provider has filed an application to proceed with the major spending commitment or capital expenditure with the commissioner and provided supporting documentation and evidence requested by the commissioner; and (2) the commissioner determines, based upon this documentation and evidence, that the spending commitment or capital expenditure is appropriate. The commissioner shall make a decision on a completed application within 60 days after an application is submitted. The Minnesota health care commission shall convene an expert review panel made up of persons with knowledge and expertise regarding medical equipment, specialized services, and health care expenditures to review applications and make recommendations to the commissioner and the commission.

(b) A provider may make a major spending commitment to replace existing equipment with comparable equipment, if the old equipment will no longer be used in the state. A provider may make a major spending commitment to repair, remodel, or replace existing buildings or fixtures if, in the judgment of the commissioner, the project does not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided.

(c) This subdivision does not apply to mergers, acquisitions, and other changes in ownership or control that, in the judgment of the commissioner, do not involve a substantial expansion of service capacity in the state or a substantial change in the nature of health care services provided."

Page 18, delete lines 14 to 27

Page 71, line 26, before the period, insert "or a similar tax on premiums imposed upon entities operating under chapter 62C or 62D"

Page 71, line 28, delete "the tax imposed by those sections" and insert "a tax described in this paragraph"

Page 72, line 29, before the period, insert ", except that the program is and must remain a contributing member of the comprehensive health association established in section 62E.10"

Page 77, line 26, delete "65" and insert "75"

Page 78, line 6, delete "a 70" and insert "an 80"

Page 86, line 17, after the comma, insert "the pooled employers insurance program established in section 43A.317,"

Page 86, line 30, after the comma, insert "the pooled employers insurance program established in section 43A.317,"

Page 98, line 33, delete everything after "whose"

Page 98, line 34, delete everything before "income"; delete "less" and insert "greater"

Page 98, line 35, delete "percentage limit" and insert "limits"

Page 99, line 14, delete everything after "whose"

Page 99, line 15, delete everything before "income"; delete "less" and insert "greater"; delete "percentage determined" and insert "limits established"

The motion prevailed and the first portion of the Ogren et al amendment, as amended, was adopted.

Sviggum requested a division of the remaining portion of the Ogren et al amendment, as amended, to H. F. No. 2800, the third engrossment, as amended.

Janezich requested to vote on the second portion of the Sviggum division first. The request was granted.

The second portion of the remaining portion of the Ogren et al amendment, as amended, to H. F. No. 2800, the third engrossment, as amended, reads as follows:

Pages 199 to 202, delete sections 3 to 9 and insert:

"HOSPITALS AND HEALTH CARE PROVIDERS

Sec. 3. [295.50] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 295.50 to 295.58, the following terms have the meanings given.

Subd. 2. [COMMISSIONER.] "Commissioner" is the commissioner of revenue.

Subd. 3. [GROSS REVENUES.] "Gross revenues" are total amounts received in money or otherwise by:

(1) a resident hospital for inpatient or outpatient services as defined in Minnesota Rules, part 4650.0102, subparts 21 and 29;

(2) a nonresident hospital for inpatient or outpatient services as defined in Minnesota Rules, part 4650.0102, subparts 21 and 29, provided to patients domiciled in Minnesota;

(3) a resident health care provider, other than a health maintenance organization, for covered services listed in section 256B.0625;

(4) a nonresident health care provider for covered services listed in section 256B.0625 provided to an individual domiciled in Minnesota;

(5) a wholesale drug distributor for sale or distribution of prescription drugs that are delivered in Minnesota by the distributor or a common carrier, unless the prescription drugs are delivered to another wholesale drug distributor; and

(6) a health maintenance organization as gross premiums for enrollees, carrier copayments, and other fees for services provided.

Subd. 4. [HEALTH CARE PROVIDER.] "Health care provider" is a vendor of medical care qualifying for reimbursement under the medical assistance program provided under chapter 256B, and includes health maintenance organizations but excludes hospitals and pharmacies.

Subd. 5. [HMO.] "Health maintenance organization" is a nonprofit corporation licensed and operated as provided in chapter 62D.

Subd. 6. [HOME HEALTH CARE SERVICES.] "Home health care services" are services:

(1) defined under the state medical assistance program as home health agency services, personal care services and supervision of

personal care services, private duty nursing services, and waivered services; and

(2) provided at a recipient's residence, if the recipient does not live in a hospital, nursing facility, as defined in section 62A.46, subdivision 3, or intermediate care facility for persons with mental retardation as defined in section 256B.055, subdivision 12, paragraph (d).

Subd. 7. [HOSPITAL.] "Hospital" is a hospital licensed under chapter 144, a hospital providing inpatient or outpatient services licensed by any other state or province or territory of Canada or a surgical center.

Subd. 8. [NONRESIDENT HEALTH CARE PROVIDER.] "Nonresident health care provider" means a health care provider that is not a resident health care provider.

Subd. 9. [NONRESIDENT HOSPITAL.] "Nonresident hospital" means a hospital physically located outside Minnesota.

Subd. 10. [PHARMACY.] "Pharmacy" means a pharmacy, as defined in section 151.01, if the only goods or services the pharmacy sells that qualify for reimbursement under the medical assistance program under chapter 256B are drugs and prosthetics.

Subd. 11. [RESIDENT HEALTH CARE PROVIDER.] "Resident health care provider" means a health care provider whose principal place of dispensing health care is in Minnesota.

Subd. 12. [RESIDENT HOSPITAL.] "Resident hospital" means a hospital physically located inside Minnesota.

Subd. 13. [SURGICAL CENTER.] "Surgical center" is an outpatient surgical center as defined in Minnesota Rules, chapter 4675 or a similar facility located in any other state or province or territory of Canada.

Subd. 14. [WHOLESALE DRUG DISTRIBUTOR.] "Wholesale drug distributor" means a wholesale drug distributor required to be licensed under sections 151.42 to 151.51.

Sec. 4. [295.51] [MINIMUM CONTACTS REQUIRED FOR JURISDICTION TO TAX GROSS REVENUE.]

Subdivision 1. [BUSINESS TRANSACTIONS IN MINNESOTA.] A hospital or health care provider is subject to tax under sections 295.50 to 295.58 if it is "transacting business in Minnesota." A hospital or health care provider is transacting business in Minnesota only if it:

(1) maintains an office in Minnesota;

(2) has employees, representatives, or independent contractors conducting business in Minnesota;

(3) regularly sells covered services to customers that receive the covered services in Minnesota;

(4) regularly solicits business from potential customers in Minnesota;

(5) regularly performs services outside Minnesota the benefits of which are consumed in Minnesota;

(6) owns or leases tangible personal or real property physically located in Minnesota; or

(7) receives medical assistance payments from the state of Minnesota.

Subd. 2. [PRESUMPTION.] A hospital or health care provider is presumed to regularly solicit business within Minnesota if it receives gross receipts for covered services from 20 or more patients domiciled in Minnesota in a calendar year.

Sec. 5. [295.52] [TAXES IMPOSED.]

Subdivision 1. [HOSPITAL TAX.] A tax is imposed on each hospital equal to two percent of its gross revenues.

Subd. 2. [PROVIDER TAX.] A tax is imposed on each health care provider equal to two percent of its gross revenues.

Subd. 3. [WHOLESALE DRUG DISTRIBUTOR TAX.] A tax is imposed on each wholesale drug distributor equal to two percent of its gross revenues.

Subd. 4. [USE TAX; PRESCRIPTION DRUGS.] A person that receives prescription drugs for resale or use in Minnesota, other than from a wholesale drug distributor that paid the tax under subdivision 3, is subject to a tax equal to two percent of the price paid. Liability for the tax is incurred when prescription drugs are received in Minnesota by the person.

Sec. 6. [295.53] [EXEMPTIONS; SPECIAL RULES.]

Subdivision 1. [EXEMPTIONS.] The following payments are excluded from the gross revenues subject to the hospital or health care provider taxes under sections 295.50 to 295.57:

(1) payments received from the federal government for services provided under the Medicare program, excluding enrollee deductible and coinsurance payments;

(2) medical assistance payments;

(3) payments received for services performed by a nursing home licensed under chapter 144A, services provided in an intermediate care facility for persons with mental retardation, and home health care services;

(4) payments received from hospitals for services that are subject to tax under section 295.52;

(5) payments received from health care providers for services that are subject to tax under section 295.52;

(6) amounts paid for prescription drugs to a wholesale drug distributor reduced by reimbursements received for prescription drugs under clauses (1), (2), (7), and (8);

(7) payments received under the general assistance medical care program; and

(8) payments received for providing services under the health right program under article 4.

Subd. 2. [DEDUCTIONS FOR HMOS.] (a) In addition to the exemptions allowed under subdivision 1, a health maintenance organization may deduct from its gross revenues for the year:

(1) amounts added to reserves, if total reserves do not exceed 25 percent of gross revenues for the prior year;

(2) assessments for the comprehensive health insurance plan under section 62E.11 paid during the year; and

(3) an allowance for administration and underwriting.

(b) The commissioner of commerce, in consultation with the commissioners of health and revenue, shall establish by rule under chapter 14 the percentage of health maintenance revenue that will be allowed as a deduction for administrative and underwriting expenses. The commissioner of commerce shall determine the percentage allowance based on the average expenses of health maintenance organizations that are equivalent to the claims administration and other underwriting services of third party payors. These expenses do not include the portion of health maintenance organization costs that are similar to the administrative costs of direct health care providers, rather than third party payors, and

do not include costs deductible under paragraph (a), clauses (1) and (2). The commissioner of commerce may adopt emergency rules.

Subd. 3. [RESTRICTION ON ITEMIZATION.] A hospital or health care provider must not separately state the tax obligation under section 295.52 on bills provided to individual patients.

Sec. 7. [295.54] [CREDIT FOR TAXES PAID TO ANOTHER STATE.]

A resident hospital or resident health care provider who is liable for taxes payable to another state or province or territory of Canada measured by gross receipts and is subject to tax under section 295.52 is entitled to a credit for the tax paid to another state or province or territory of Canada to the extent of the lesser of (1) the tax actually paid to the other state or province or territory of Canada, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing jurisdictions.

Sec. 8. [295.55] [PAYMENT OF TAX.]

Subdivision 1. [SCOPE.] The provisions of this section apply to the taxes imposed under sections 295.50 to 295.58.

Subd. 2. [ESTIMATED TAX; HOSPITALS.] (a) Each hospital must make estimated payments of the taxes for the calendar year in monthly installments to the commissioner within ten days after the end of the month.

(b) Estimated tax payments are not required if the tax for the calendar year is less than $500 or if the hospital has been allowed a grant under section 144.1484, subdivision 2 for the year.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of one-twelfth of the tax for the calendar year or (2) the tax for the actual gross revenues received during the month.

Subd. 3. [ESTIMATED TAX; OTHER TAXPAYERS.] (a) Each taxpayer, other than a hospital, must make estimated payments of the taxes for the calendar year in quarterly installments to the commissioner by April 15, July 15, October 15, and January 15 of the following calendar year.

(b) Estimated tax payments are not required if the tax for the calendar year is less than $500.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of one-quarter of the tax for the calendar year or (2) the tax for the actual gross revenues received during the quarter.

Subd. 4. [ELECTRONIC FUNDS TRANSFER PAYMENTS.] A taxpayer with an aggregate tax liability of $60,000 or more during a calendar quarter ending the last day of March, June, September, or December must thereafter remit all liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, is on or before the date the tax is due. If the date the tax is due is not a funds-transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date is on or before the first funds-transfer business day after the date the tax is due.

Subd. 5. [ANNUAL RETURN.] The taxpayer must file an annual return reconciling the quarterly estimated payments by March 15 of the following calendar year.

Subd. 6. [FORM OF RETURNS.] The estimated payments and annual return must contain the information and be in the form prescribed by the commissioner.

Sec. 9. [295.57] [COLLECTION AND ENFORCEMENT; RULEMAKING; APPLICATION OF OTHER CHAPTERS.]

Unless specifically provided by sections 295.50 to 295.58, the enforcement, interest, and penalty provisions under chapter 294, appeal and criminal penalty provisions under chapter 289A, and collection and rulemaking provisions under chapter 270, apply to a liability for the taxes imposed under sections 295.50 to 295.58.

Sec. 10. [295.58] [DEPOSIT OF REVENUES.]

The commissioner shall deposit all revenues, including penalties and interest, derived from the taxes imposed by sections 295.50 to 295.57 in the health care access account in the general fund.

Sec. 11. [295.59] [SEVERABILITY.]

If any section, subdivision, clause, or phrase of sections 295.50 to 295.58 is for any reason held to be unconstitutional or in violation of federal law, the decision shall not affect the validity of the remaining portions of sections 295.50 to 295.58. The legislature declares that it would have passed sections 295.50 to 295.58 and each section, subdivision, sentence, clause, and phrase thereof, irrespective of the

fact that any one or more sections, subdivisions, sentences, clauses, or phrases is declared unconstitutional.

Sec. 12. Minnesota Statutes 1991 Supplement, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~21.5~~ 24 mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, ~~43~~ 48 mills on each such cigarette.

Sec. 13. Minnesota Statutes 1991 Supplement, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] The commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~1.1~~ 1.0 percent from the face amount of the stamps for the first $1,500,000 of such stamps purchased in any fiscal year; and at a discount of ~~.65~~ .60 percent on the remainder of such stamps purchased in any fiscal year. The commissioner shall not sell stamps to any other person. The commissioner may prescribe the method of shipment of the stamps to the distributor as well as the quantities of stamps purchased.

Sec. 14. [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES.] A floor stocks tax is imposed on every person engaged in business in this state as a distributor, retailer, subjobber, vendor, manufacturer, or manufacturer's representative of cigarettes, on the stamped cigarettes in the person's possession or under the person's control at 12:01 a.m. on July 1, 1992. The tax is imposed at the following rates, subject to the discounts in section 297.03:

(1) on cigarettes weighing not more than three pounds a thousand, 2.5 mills on each cigarette; and

(2) on cigarettes weighing more than three pounds a thousand, five mills on each cigarette.

Each distributor, by July 8, 1992, shall file a report with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1992, and the amount of

tax due on the cigarettes. The tax imposed by this section is due and payable by August 1, 1992, and after that date bears interest at the rate of one percent a month.

Each retailer, subjobber, vendor, manufacturer, or manufacturer's representative shall file a return with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1992, and pay the tax due thereon by August 1, 1992. Tax not paid by the due date bears interest at the rate of one percent a month.

Subd. 2. [AUDIT AND ENFORCEMENT.] The tax imposed by this section is subject to the audit, assessment, and collection provisions applicable to the taxes imposed under chapter 297C. The commissioner may require a distributor to receive and maintain copies of floor stock tax returns filed by all persons requesting a credit for returned cigarettes.

Subd. 3. [DEPOSIT OF PROCEEDS.] The revenue from the tax imposed under this section shall be deposited by the commissioner in the state treasury and credited to the health care access account in the general fund.

Sec. 15. [TEMPORARY DEPOSIT OF CIGARETTE TAX REVENUES.]

Notwithstanding the provisions of Minnesota Statutes, section 297.13, the revenue provided by 2.5 mills of the tax on cigarettes weighing not more than three pounds a thousand and five mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the health care access account in the general fund. This section applies only to revenue collected for sales after June 30, 1992, and before January 1, 1994. Revenue includes revenue from the tax, interest, and penalties collected under the provisions of Minnesota Statutes, sections 297.01 to 297.13.

This section expires June 30, 1994.

Sec. 16. [TRANSITION PROVISION; HOSPITAL TAX.]

For gross revenues taxable under section 5, subdivision 1, for calendar year 1993, the exclusions under section 6, subdivision 1, clauses (5) and (6) do not apply.

Sec. 17. [EFFECTIVE DATE.]

Section 2 is effective for taxable years beginning after December 31, 1992. Section 5, subdivision 1, is effective for gross revenues generated by services performed and goods sold after December 31, 1992. Section 5, subdivisions 2 to 4, are effective for gross revenues

generated by services performed and goods sold after December 31, 1993. Sections 12 and 13 are effective July 1, 1992. Section 14 is effective the day following final enactment."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the second portion of the remaining portion of the Ogren et al amendment, as amended, and the roll was called. There were 42 yeas and 91 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Gruenes	Lynch	Onnen	Vanasek
Begich	Hanson	Macklin	Ozment	Vellenga
Bishop	Heir	McGuire	Pauly	Wagenius
Blatz	Henry	McPherson	Runbeck	Weaver
Carruthers	Hufnagle	Nelson, K.	Schreiber	Welle
Dempsey	Jacobs	Newinski	Seaberg	Spk. Long
Dille	Kelso	Ogren	Skoglund	
Garcia	Krambeer	Olsen, S.	Stanius	
Greenfield	Lourey	Olson, E.	Valento	

Those who voted in the negative were:

Anderson, I.	Frederick	Kinkel	Omann	Solberg
Anderson, R.	Frerichs	Knickerbocker	Orenstein	Sparby
Battaglia	Girard	Koppendrayer	Orfield	Steensma
Bauerly	Goodno	Krinkie	Osthoff	Sviggum
Beard	Gutknecht	Krueger	Ostrom	Swenson
Bertram	Hartle	Lasley	Pellow	Thompson
Bettermann	Hasskamp	Leppik	Pelowski	Tompkins
Bodahl	Haukoos	Lieder	Peterson	Trimble
Boo	Hausman	Limmer	Pugh	Tunheim
Brown	Hugoson	Mariani	Reding	Uphus
Carlson	Janezich	Marsh	Rest	Waltman
Clark	Jaros	McEachern	Rice	Wejcman
Cooper	Jefferson	Milbert	Rodosovich	Welker
Dauner	Jennings	Morrison	Rukavina	Wenzel
Davids	Johnson, A.	Munger	Sarna	Winter
Dawkins	Johnson, R.	Murphy	Schafer	
Dorn	Johnson, V.	Nelson, S.	Segal	
Erhardt	Kahn	O'Connor	Simoneau	
Farrell	Kalis	Olson, K.	Smith	

The motion did not prevail and the second portion of the remaining portion of the Ogren et al amendment, as amended, was not adopted.

Ogren withdrew the remaining portion of the Ogren et al amendment, as amended, to H. F. No. 2800, the third engrossment, as amended.

Krueger moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 7, line 27, delete "26" and insert "27"

Page 8, after line 25, insert:

"(g) [MEDICAL TECHNOLOGY INDUSTRY.] The commission includes one member appointed by the Medical Alley Association."

Page 8, line 26, delete "(g)" and insert "(h)"

Page 8, line 29, delete "(h)" and insert "(i)"

The motion prevailed and the amendment was adopted.

Anderson, I., moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 95, line 14, delete "90" and insert "45"

The motion prevailed and the amendment was adopted.

The Speaker called Krueger to the Chair.

Anderson, R.; Sparby; Goodno and Dauner moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 102, line 12, delete everything after the period and insert "For purposes of this section, a "permanent Minnesota resident" is a person living in the state with the intention of making his or her home here and not for any temporary purpose. All applicants for subsidized premiums will be required to demonstrate the requisite intent and can do so in any of the following ways:

(1) by showing that the applicant maintains a residence at a verified address, other than a place of public accommodation. An applicant may verify a residence address by presenting a valid state driver's license, a state identification card, a voter registration card, a rent receipt, a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address, or other form of verification approved by the commissioner;

(2) by providing written documentation that the applicant came to the state in response to an offer of employment;

(3) by providing verification that the applicant has been a long-time resident of the state or was formerly a resident of the state for

at least 365 days and is returning to the state from a temporary absence; or

(4) by providing other persuasive evidence to show that the applicant is a resident of the state."

Page 102, delete lines 13 to 20

The motion prevailed and the amendment was adopted.

Jefferson; Johnson, A.; Winter; Bertram; Welker; Carruthers; Lourey; Sparby and Anderson, I., moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 7, line 27, delete "26" and insert "27"

Page 7, line 36, delete "seven" and insert "eight"

Page 8, line 7, after the comma insert "one member appointed by the Minnesota Chiropractic Association,"

Page 8, line 10, after "physicians," insert "chiropractors,"

Page 126, line 7, delete "physicians" and insert "health care providers"

Page 129, line 4, after "association" insert ", Minnesota Chiropractic Association or appropriate health licensing board" and after "specific" delete "medical" and insert "health care"

Page 129, lines 5 and 8, delete "medical"

Page 129, line 7, after "association" insert ", Minnesota Chiropractic Association or appropriate health licensing board"

Page 129, line 11, delete "medical" in both places

Page 129, lines 13, 18, and 25, delete "medical"

Page 129, lines 14 and 19, delete "medically"

Page 129, line 24, delete "physicians, other"

The motion prevailed and the amendment was adopted.

Cooper, Dorn, Jennings, Pelowski and Anderson, R., moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 104, line 23, before "A" insert "Subdivision 1. [PARTICIPATION REQUIREMENT.]"

Page 105, after line 10, insert:

"Subd. 2. [CONTINGENT EFFECTIVE DATE.] This section becomes effective July 1, 1993, if the commissioner of human services determines that access to health care services by medical assistance recipients has not significantly improved as a result of increased provider reimbursement enacted by the legislature. The commissioner shall report to the legislature on the numbers of physicians and dentists participating in the medical assistance program by geographic regions of the state no later than March 15, 1993."

A roll call was requested and properly seconded.

The question was taken on the Cooper et al amendment and the roll was called. There were 46 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Henry	Ostrom	Sviggum
Anderson, R.	Erhardt	Hugoson	Pauly	Swenson
Bertram	Frederick	Jennings	Pelowski	Thompson
Bettermann	Frerichs	Kinkel	Peterson	Uphus
Boo	Girard	Knickerbocker	Pugh	Waltman
Brown	Goodno	Krinkie	Rodosovich	Welker
Cooper	Gutknecht	McPherson	Schafer	
Dauner	Hartle	Morrison	Segal	
Davids	Hasskamp	Onnen	Smith	
Dille	Heir	Orenstein	Sparby	

Those who voted in the negative were:

Anderson, I.	Gruenes	Leppik	Ogren	Skoglund
Anderson, R. H.	Hanson	Lieder	Olsen, S.	Solberg
Battaglia	Haukoos	Limmer	Olson, E.	Stanius
Bauerly	Hausman	Lourey	Olson, K.	Tompkins
Beard	Hufnagle	Lynch	Omann	Trimble
Begich	Jacobs	Macklin	Orfield	Tunheim
Bishop	Janezich	Mariani	Osthoff	Valento
Blatz	Jefferson	Marsh	Ozment	Vanasek
Bodahl	Johnson, A.	McEachern	Pellow	Vellenga
Carlson	Johnson, R.	McGuire	Reding	Wagenius
Carruthers	Johnson, V.	Milbert	Rest	Weaver
Clark	Kahn	Munger	Rice	Wejcman
Dawkins	Kelso	Murphy	Runbeck	Welle
Dempsey	Koppendrayer	Nelson, K.	Sarna	Wenzel
Farrell	Krambeer	Nelson, S.	Schreiber	Winter
Garcia	Krueger	Newinski	Seaberg	Spk. Long
Greenfield	Lasley	O'Connor	Simoneau	

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

Clark; Murphy; Hausman; Brown; Orenstein; Vellenga; Pauly; Kalis; Morrison; Rodosovich; Trimble; Mariani; Winter; Gruenes; Blatz; Munger; Wejcman; Olson, K.; Cooper; Peterson; Nelson, K.; Sarna; Sparby; Jaros; Orfield; Garcia; Farrell; Lourey; Wagenius; Steensma; Olsen, S.; Solberg; Anderson, R.; Henry; Jefferson; Ogren; Bettermann; Osthoff and Greenfield moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 7, line 27, delete "26" and insert "29"

Page 7, line 36, delete "seven" and insert "eight"

Page 8, line 7, delete "one member" and insert "two members"

Page 8, line 8, after the comma insert "one of whom practices in a rural area of the state and one of whom practices in an urban area,"

Page 8, delete lines 16 to 21 and insert:

"(e) [CONSUMERS.] The commission includes six consumer members with no financial interest in the health care system, including representatives of low-income persons, communities of color, and seniors. Three of the consumer members must be appointed by the governor. Three members must be appointed jointly under the rules of the house and the rules of the senate."

Correct internal references

The motion prevailed and the amendment was adopted.

Lourey and Ostrom moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 107, after line 2, insert:

"Sec. 3. [62A.65] [PARTICIPATING PROVIDERS.]

Subdivision 1. [HEALTH PLAN COMPANY.] For purposes of this section, "health plan company" means any entity governed by chapter 62A, 62C, 62D, 62E, 62H, or 64B, or section 471.617, subdivision 2, that offers, sells, issues, or renews health coverage in this state. Health plan company does not include an entity that sells only policies designed primarily to provide coverage on a per diem, fixed indemnity, or nonexpense-incurred basis, or policies that provide only accident coverage.

Subd. 2. [ACCEPTANCE AS PARTICIPATING PROVIDER.] A health plan company shall not exclude, as a participating provider, a physician who is licensed under chapter 147 and meets the requirements of section 147.02, subdivision 1, paragraph (b), solely because the physician has not completed a full residency or is not board certified, if:

(1) the physician meets all other requirements for serving as a participating provider;

(2) the physician has completed a minimum of two years residency in any specialty;

(3) the physician has not been disciplined by the board of medical practice under section 147.091;

(4) the physician is credentialed by and has staff privileges at a hospital, or is employed by a medical clinic, located in an area designated by the federal government as either a health personnel shortage area or a medically underserved area;

(5) the medical clinic at which the physician practices was part of the provider network of a health plan company, and that health plan company provides health care services to a significant number of persons residing in the community in which the medical clinic is located, many of whom had formerly received services at the medical clinic; and

(6) the medical clinic and the hospital at which the physician has staff privileges are the only providers of 24-hour emergency services in the county."

Page 115, after line 11, insert:

"Sec. 14. [REPEALER.]

Section 3 expires July 1, 1995, or one year after the date upon which a Minnesota program, established to conduct quality assurance and certification activities related to the participation of rural family practice physicians in health plan company provider networks, becomes operational, whichever occurs first."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Swenson, Greenfield and Gruenes moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 31, line 23, after the period insert "Where an association, described in section 62A.10, subdivision 1, comprised of employers contracts with a health carrier to provide coverage to its members who are small employers, the association may elect to be considered to be a small employer, even though the association provides coverage to more than 29 employees of its members, so long as each employer that is provided coverage through the association qualifies as a small employer. An association's election to be considered a small employer under this section is not effective unless filed with the commissioner of commerce. The association may revoke its election at any time by filing notice of revocation with the commissioner."

The motion prevailed and the amendment was adopted.

Sviggum moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

STATE AGENCY INITIATIVES

Section 1. [62J.23] [PROVIDER CONFLICTS OF INTEREST.]

Subdivision 1. [RULES PROHIBITING CONFLICTS OF INTEREST.] The commissioner of health shall adopt rules restricting financial relationships or payment arrangements involving health care providers under which a provider benefits financially by referring a patient to another provider, recommending another provider, or furnishing or recommending an item or service. The rules must be compatible with, and no less restrictive than, the federal Medicare antikickback statute, in section 1128B(b) of the Social Security Act, United States Code, title 42, section 1320a-7b(b), and regulations adopted under it. However, the commissioner's rules may be more restrictive than the federal law and regulations and may apply to additional provider groups and business and professional arrangements except that the commissioner shall provide exemptions for group practices and salaried physicians in the same manner as under the federal Medicare antikickback statute and the regulations adopted under it. When the state rules restrict an arrangement or relationship that is permissible under federal laws and regulations,

including an arrangement or relationship expressly permitted under the federal safe harbor regulations, the fact that the state requirement is more restrictive than federal requirements must be clearly stated in the rule.

Subd. 2. [PROHIBITED RELATIONSHIPS AND PRACTICES.] At a minimum, rules adopted under this subdivision must prohibit:

(1) referrals to another provider in which the referring provider has a significant financial interest;

(2) furnishing or arranging for the furnishing of an item or service in which the provider has a significant financial interest; and

(3) offering or paying, or soliciting or receiving, any remuneration, directly or indirectly, in return for referring a person to a provider or for providing or recommending an item or service.

Subd. 3. [PRINCIPAL CRITERIA FOR RESTRICTIONS.] In adopting and enforcing rules under this subdivision, the commissioner must consider whether the relationship or arrangement creates a risk that the financial interests of a provider will influence the provider's health care decisions about a particular patient or that the relationship or arrangement is likely to be perceived by the provider's patients or by the community as likely to influence a provider's health care decision making.

Subd. 4. [INTERIM RESTRICTIONS.] From July 1, 1992, until rules are adopted by the commissioner under this subdivision, the restrictions in the federal Medicare antikickback statutes in section 1128B(b) of the Social Security Act, United States Code, title 42, section 1320a-7b(b), and rules adopted under the federal statutes, apply to all health care providers in the state, regardless of whether the provider participates in any state or federal health care program. The commissioner may approve a transition plan submitted by a provider who is in violation of this paragraph to the commission by January 1, 1992, that provides a reasonable time for the provider to modify prohibited practices or divest financial interests in other providers in order to come into compliance with this subdivision.

Sec. 2. [62J.27] [MALPRACTICE PROTECTION FOR PROVIDERS.]

(a) The commissioner of health, after receiving the advice the health care analysis unit, may approve practice parameters as defined in section 62J.30, subdivision 1, in order to minimize unnecessary, unproven, or ineffective care. The approval of practice parameters is not subject to the requirements of chapter 14.

(b) Adherence by a provider to a practice parameter approved by

the commissioner of health is clear and convincing evidence in defense of a claim for medical malpractice.

(c) Paragraph (b) applies to claims arising on or after August 1, 1993, or 90 days after the effective date of approval of the practice parameters by the commissioner.

Sec. 3. [62J.29] [ANTITRUST EXCEPTIONS.]

The commissioner shall establish criteria and procedures for sanctioning contracts, business or financial arrangements, or other activities or practices involving providers or purchasers that might be construed to be violations of state or federal antitrust laws but which are in the best interests of the state of Minnesota and further the policies and goals of this chapter. Notwithstanding the Minnesota antitrust law of 1971, as amended, in Minnesota Statutes, sections 325D.49 to 325D.66, contracts, business or financial arrangements, or other activities or practices that are expressly sanctioned by the commissioner do not constitute an unlawful contract, combination, or conspiracy in unreasonable restraint of trade or commerce under Minnesota Statutes, sections 325D.49 to 325D.66. Approval by the commissioner is a defense against any action under state antitrust laws. The commissioner is exempt from rulemaking until January 1, 1994, for purposes of establishing criteria and procedures under this section.

Sec. 4. [256.362] [REPORTS AND IMPLEMENTATION.]

Subdivision 1. [WELLNESS COMPONENT.] The commissioners of human services and health shall recommend to the legislature, by January 1, 1993, methods to incorporate discounts for wellness factors of up to 25 percent into the health right plan premium sliding scale. Beginning October 1, 1992, the commissioner of human services shall inform health right plan enrollees of the future availability of the wellness discount, and shall encourage enrollees to incorporate wellness factors into their lifestyles.

Subd. 2. [FEDERAL HEALTH INSURANCE CREDIT.] By October 1, 1992, the commissioners of human services and revenue shall apply for any federal waivers or approvals necessary to allow enrollees in state health care programs to assign the federal health insurance credit component of the earned income tax credit to the state.

Sec. 5. [COORDINATION OF STATE HEALTH CARE PURCHASING.]

The commissioner of administration shall convene an interagency task force to develop a plan for coordinating the health care programs administered by state agencies and local governments in

order to improve the efficiency and quality of health care delivery and make the most effective use of the state's market leverage and expertise in contracting and working with health plans and health care providers. The commissioner shall present to the legislature, by January 1, 1994, recommendations to: (1) improve the effectiveness of public health care purchasing; and (2) streamline and consolidate health care delivery, through merger, transfer, or reconfiguration of existing health care and health coverage programs. At the request of the commissioner of administration, the commissioners of other state agencies and units of local government shall provide assistance in evaluating and coordinating existing state and local health care programs.

ARTICLE 2

SMALL EMPLOYER INSURANCE REFORM

Section 1. [62L.01] [CITATION.]

Subdivision 1. [POPULAR NAME.] Sections 62L.01 to 62L.23 may be cited as the Minnesota small employer health benefit act.

Subd. 2. [JURISDICTION.] Sections 62L.01 to 62L.23 apply to any health carrier that offers, issues, delivers, or renews a health benefit plan to a small employer.

Subd. 3. [LEGISLATIVE FINDINGS AND PURPOSE.] The legislature finds that underwriting and rating practices in the individual and small employer markets for health coverage create substantial hardship and unfairness, create unnecessary administrative costs, and adversely affect the health of residents of this state. The legislature finds that the premium restrictions provided by this chapter reduce but do not eliminate these harmful effects. Accordingly, the legislature declares its desire to phase out the remaining rating bands as quickly as possible, with the end result of eliminating all rating practices based on risk by July 1, 1997.

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

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 62L.01 to 62L.23.

Subd. 2. [ACTUARIAL OPINION.] "Actuarial opinion" means a written statement by a member of the American Academy of Actuaries that a health carrier is in compliance with this chapter, based on the person's examination, including a review of the appropriate records and of the actuarial assumptions and methods utilized by the health carrier in establishing premium rates for health benefit plans.

Subd. 3. [ASSOCIATION.] "Association" means the health coverage reinsurance association.

Subd. 4. [BASE PREMIUM RATE.] "Base premium rate" means as to a rating period, the lowest premium rate charged or which could have been charged under the rating system by the health carrier to small employers for health benefit plans with the same or similar coverage.

Subd. 5. [BOARD OF DIRECTORS.] "Board of directors" means the board of directors of the health coverage reinsurance association.

Subd. 6. [CASE CHARACTERISTICS.] "Case characteristics" means the relevant characteristics of a small employer, as determined by a health carrier in accordance with this chapter, which are considered by the carrier in the determination of premium rates for the small employer.

Subd. 7. [COINSURANCE.] "Coinsurance" means an established dollar amount or percentage of health care expenses that an eligible employee or dependent is required to pay directly to a provider of medical services or supplies under the terms of a health benefit plan.

Subd. 8. [COMMISSIONER.] "Commissioner" means the commissioner of commerce for health carriers subject to the jurisdiction of the department of commerce or the commissioner of health for health carriers subject to the jurisdiction of the department of health, or the relevant commissioner's designated representative.

Subd. 9. [CONTINUOUS COVERAGE.] "Continuous coverage" means the maintenance of continuous and uninterrupted qualifying prior coverage by an eligible employee or dependent. An eligible employee or dependent is considered to have maintained continuous coverage if the individual requests enrollment in a health benefit plan within 30 days of termination of the qualifying prior coverage.

Subd. 10. [DEDUCTIBLE.] "Deductible" means the amount of health care expenses an eligible employee or dependent is required to incur before benefits are payable under a health benefit plan.

Subd. 11. [DEPENDENT.] "Dependent" means an eligible employee's spouse, unmarried child who is under the age of 19 years, unmarried child who is a full-time student under the age of 25 years as defined in section 62A.301 and financially dependent upon the eligible employee, or dependent child of any age who is handicapped and who meets the eligibility criteria in section 62A.14, subdivision 2. For the purpose of this definition, a child may include a child for whom the employee or the employee's spouse has been appointed legal guardian.

Subd. 12. [ELIGIBLE CHARGES.] "Eligible charges" means the actual charges submitted to a health carrier by or on behalf of a provider, eligible employee, or dependent for health services covered by the health carrier's health benefit plan. Eligible charges do not include charges for health services excluded by the health benefit plan, charges for which an alternate health carrier is liable under the coordination of benefit provisions of the health benefit plan, charges for health services that are not medically necessary, or charges that exceed the usual and customary charges.

Subd. 13. [ELIGIBLE EMPLOYEE.] "Eligible employee" means an individual employed by a small employer for at least 20 hours per week and who has satisfied all employer participation and eligibility requirements, including, but not limited to, the satisfactory completion of a probationary period of not less than 30 days but no more than 90 days. The term includes a sole proprietor, a partner of a partnership, or an independent contractor, if the sole proprietor, partner, or independent contractor is included as an employee under a health benefit plan of a small employer, but does not include employees who work on a temporary, seasonal, or substitute basis.

Subd. 14. [FINANCIALLY IMPAIRED CONDITION.] "Financially impaired condition" means a situation in which a health carrier is not insolvent, but (1) is considered by the commissioner to be potentially unable to fulfill its contractual obligations, or (2) is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

Subd. 15. [HEALTH BENEFIT PLAN.] "Health benefit plan" means a policy, contract, or certificate issued by a health carrier to a small employer for the coverage of medical and hospital benefits. Health benefit plan includes a small employer plan. Health benefit plan does not include coverage that is:

(1) limited to disability or income protection coverage;

(2) automobile medical payment coverage;

(3) supplemental to liability insurance;

(4) designed solely to provide payments on a per diem, fixed indemnity, or nonexpense-incurred basis;

(5) credit accident and health insurance issued under chapter 62B;

(6) designed solely to provide dental or vision care;

(7) blanket accident and sickness insurance as defined in section 62A.11;

(8) accident-only coverage;

(9) long-term care insurance as defined in section 62A.46;

(10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44, or policies that supplement Medicare issued by health maintenance organizations or those policies governed by section 1833 or 1876 of the Federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended through December 31, 1991; or

(11) workers' compensation insurance.

For the purpose of this chapter, a health benefit plan issued to employees of a small employer who meets the participation requirements of section 62L.03, subdivision 3, is considered to have been issued to a small employer. A health benefit plan issued on behalf of a health carrier is considered to be issued by the health carrier.

Subd. 16. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; and a multiple employer welfare arrangement, as defined in United States Code, title 29, section 1002(40), as amended through December 31, 1991. For the purpose of this chapter, companies that are affiliated companies or that are eligible to file a consolidated tax return must be treated as one carrier, except that any insurance company or health service plan corporation that is an affiliate of a health maintenance organization located in Minnesota, or any health maintenance organization located in Minnesota that is an affiliate of an insurance company or health service plan corporation, or any health maintenance organization that is an affiliate of another health maintenance organization in Minnesota, may treat the health maintenance organization as a separate carrier.

Subd. 17. [HEALTH PLAN.] "Health plan" means a health benefit plan issued by a health carrier, except that it may be issued:

(1) to a small employer;

(2) to an employer who does not satisfy the definition of a small employer as defined under subdivision 26; or

(3) to an individual purchasing an individual or conversion policy of health care coverage issued by a health carrier.

Subd. 18. [INDEX RATE.] "Index rate" means as to a rating period for small employers the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

Subd. 19. [LATE ENTRANT.] "Late entrant" means an eligible employee or dependent who requests enrollment in a health benefit plan of a small employer following the initial enrollment period applicable to the employee or dependent under the terms of the health benefit plan, provided that the initial enrollment period must be a period of at least 30 days. However, an eligible employee or dependent must not be considered a late entrant if:

(1) the individual was covered under qualifying existing coverage at the time the individual was eligible to enroll in the health benefit plan, declined enrollment on that basis, and presents to the carrier a certificate of termination of the qualifying prior coverage, provided that the individual maintains continuous coverage;

(2) the individual has lost coverage under another group health plan due to the expiration of benefits available under the Consolidated Omnibus Budget Reconciliation Act of 1985, Public Law Number 99-272, as amended, and any state continuation laws applicable to the employer or carrier, provided that the individual maintains continuous coverage;

(3) the individual is a new spouse of an eligible employee, provided that enrollment is requested within 30 days of becoming legally married;

(4) the individual is a new dependent child of an eligible employee, provided that enrollment is requested within 30 days of becoming a dependent;

(5) the individual is employed by an employer that offers multiple health benefit plans and the individual elects a different plan during an open enrollment period; or

(6) a court has ordered that coverage be provided for a dependent child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order.

Subd. 20. [MCHA.] "MCHA" means the Minnesota comprehensive health association established under section 62E.10.

Subd. 21. [MEDICALLY NECESSARY.] "Medically necessary" means the medical and hospital services commonly recognized by the medical profession and leading medical authorities as essential treatment for the individual's injury or sickness.

Subd. 22. [MEMBERS.] "Members" means the health carriers

operating in the small employer market who may participate in the association.

Subd. 23. [PREEXISTING CONDITION.] "Preexisting condition" means a condition manifesting in a manner that causes an ordinarily prudent person to seek medical advice, diagnosis, care, or treatment or for which medical advice, diagnosis, care, or treatment was recommended or received during the six months immediately preceding the effective date of coverage, or a pregnancy existing as of the effective date of coverage of a health benefit plan.

Subd. 24. [QUALIFYING PRIOR COVERAGE OR QUALIFYING EXISTING COVERAGE.] "Qualifying prior coverage" or "qualifying existing coverage" means health benefits or health coverage provided under:

(1) a health plan, as defined in this section;

(2) Medicare;

(3) medical assistance under chapter 256B;

(4) general assistance medical care under chapter 256D;

(5) MCHA;

(6) a self-insured health plan;

(7) the health right plan established under section 256.936, subdivision 2, when the plan includes inpatient hospital services as provided in section 256.936, subdivision 2a, paragraph (c);

(8) a plan provided under section 43A.316; or

(9) a plan similar to any of the above plans provided in this state or in another state as determined by the commissioner.

Subd. 25. [RATING PERIOD.] "Rating period" means the 12-month period for which premium rates established by a health carrier are assumed to be in effect, as determined by the health carrier. During the rating period, a health carrier may adjust the rate based on the prorated change in the index rate.

Subd. 26. [SMALL EMPLOYER.] "Small employer" means a person, firm, corporation, partnership, association, or other entity actively engaged in business who, on at least 50 percent of its working days during the preceding calendar year, employed no fewer than two nor more than 29 eligible employees, the majority of whom were employed in this state. If a small employer has only two eligible employees, one employee must not be the spouse, child, sibling,

parent, or grandparent of the other, except that a small employer plan may be offered through a domiciled association to self-employed individuals and small employers who are members of the association, even if the self-employed individual or small employer has fewer than two employees or the employees are family members. Entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer for purposes of determining the number of eligible employees. Small employer status must be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this chapter continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan.

Subd. 27. [SMALL EMPLOYER MARKET.] (a) "Small employer market" means the market for health benefit plans for small employers.

(b) A health carrier is considered to be participating in the small employer market if the carrier offers, sells, issues, or renews a health benefit plan to: (1) any small employer; or (2) the eligible employees of a small employer offering a health benefit plan if, with the knowledge of the health carrier, both of the following conditions are met:

(i) any portion of the premium or benefits is paid for or reimbursed by a small employer; and

(ii) the health benefit plan is treated by the employer or any of the eligible employees or dependents as part of a plan or program for the purposes of the Internal Revenue Code, section 106, 125, or 162.

Subd. 28. [SMALL EMPLOYER PLAN.] "Small employer plan" means a health benefit plan issued by a health carrier to a small employer for coverage of the medical and hospital benefits described in section 62L.05.

Sec. 3. [62L.03] [AVAILABILITY OF COVERAGE.]

Subdivision 1. [GUARANTEED ISSUE AND REISSUE.] Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, affirmatively market, offer, sell, issue, and renew any of its health benefit plans to any small employer as provided in this chapter. Every health carrier participating in the small employer market shall make available both of the plans described in section 62L.05 to small employers and shall fully comply with the underwriting and the rate restrictions specified in this chapter for all health benefit plans issued to small employers. A health carrier may cease to transact business in the small employer market as provided under section 62L.09.

Subd. 2. [EXCEPTIONS.] (a) No health maintenance organization is required to offer coverage or accept applications under subdivision 1 in the case of the following:

(1) with respect to a small employer, where the worksite of the employees of the small employer is not physically located in the health maintenance organization's approved service areas;

(2) with respect to an employee, when the employee does not work or reside within the health maintenance organization's approved service areas; or

(3) within an area where the health maintenance organization demonstrates to the satisfaction of the commissioner that it does not have the capacity within the area in its network of providers to deliver service adequately to the members of these groups.

(b) A health maintenance organization that cannot offer coverage pursuant to paragraph (a), clause (3), may not offer coverage in the applicable area to new business involving employer groups with more than 29 eligible employees until 180 days following the date on which the carrier notifies the commissioner that it has regained capacity to deliver services to small employer groups.

(c) A small employer carrier shall not be required to offer coverage or accept applications pursuant to subdivision 1 where the commissioner finds that the acceptance of an application or applications would place the small employer carrier in a financially-impaired condition, provided, however, that a small employer carrier that has not offered coverage or accepted applications pursuant to this paragraph shall not offer coverage or accept applications for any health benefit plan until 180 days following a determination by the commissioner that the small employer carrier has ceased to be financially impaired.

Subd. 3. [MINIMUM PARTICIPATION.] (a) A small employer that has at least 75 percent of its eligible employees who have not waived coverage participating in a health benefit plan must be guaranteed coverage from any health carrier participating in the small employer market. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. A health carrier may not increase the participation requirements applicable to a small employer at any time after the small employer has been accepted for coverage. For the purposes of this subdivision, waiver of coverage includes only waivers due to coverage under another group health plan.

(b) A health carrier may require that small employers contribute a specified minimum percentage toward the cost of the coverage of eligible employees, so long as the requirement is uniformly applied for all small employers. For the small employer plans, a health

carrier must require that small employers contribute at least 50 percent of the cost of the coverage of eligible employees. The health carrier must impose this requirement on a uniform basis for both small employer plans and for all small employers.

(c) Nothing in this section obligates a health carrier to issue coverage to a small employer that currently offers coverage through a health benefit plan from another health carrier, unless the new coverage will replace the existing coverage and not serve as one of two or more health benefit plans offered by the employer.

Subd. 4. [UNDERWRITING RESTRICTIONS.] Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted under this chapter. Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees of small employers. Except as otherwise authorized for late entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the effective date of coverage of an eligible employee or dependent. When calculating a preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by qualifying prior coverage, provided that the individual maintains continuous coverage. Late entrants may be subject to a preexisting condition limitation not to exceed 18 months from the effective date of coverage of the late entrant. Late entrants may also be excluded from coverage for a period not to exceed 18 months, provided that if a health carrier imposes an exclusion from coverage and a preexisting condition limitation, the combined time period for both the coverage exclusion and preexisting condition limitation must not exceed 18 months.

Subd. 5. [CANCELLATIONS AND FAILURES TO RENEW.] No health carrier shall cancel, decline to issue, or fail to renew a health benefit plan as a result of the claim experience or health status of the small employer group. A health carrier may cancel or fail to renew a health benefit plan:

(1) for nonpayment of the required premium;

(2) for fraud or misrepresentation by the small employer, or, with respect to coverage of an individual eligible employee or dependent, fraud or misrepresentation by the eligible employee or dependent, with respect to eligibility for coverage or any other material fact;

(3) if eligible employee participation during the preceding calendar year declines to less than 75 percent, subject to the waiver of coverage provision in subdivision 3;

(4) if the employer fails to comply with the minimum contribution percentage legally required by the health carrier;

(5) if the health carrier ceases to do business in the small employer market; or

(6) for any other reasons or grounds expressly permitted by the respective licensing laws and regulations governing a health carrier, including, but not limited to, service area restrictions imposed on health maintenance organizations under section 62D.03, subdivision 4, paragraph (m), to the extent that these grounds are not expressly inconsistent with this chapter.

Subd. 6. [MCHA ENROLLEES.] Health carriers shall offer coverage to any eligible employee or dependent enrolled in MCHA at the time of the health carrier's issuance or renewal of a health benefit plan to a small employer. The health benefit plan must require that the employer permit MCHA enrollees to enroll in the small employer's health benefit plan as of the first date of renewal of a health benefit plan occurring on or after July 1, 1993, or, in the case of a new group, as of the initial effective date of the health benefit plan. Unless otherwise permitted by this chapter, health carriers must not impose any underwriting restrictions, including any preexisting condition limitations or exclusions, on any eligible employee or dependent previously enrolled in MCHA and transferred to a health benefit plan so long as continuous coverage is maintained, provided that the health carrier may impose any unexpired portion of a preexisting condition limitation under the person's MCHA coverage. An MCHA enrollee is not a late entrant, so long as the enrollee has maintained continuous coverage.

Sec. 4. [62L.04] [COMPLIANCE REQUIREMENTS.]

Subdivision 1. [APPLICABILITY OF CHAPTER REQUIREMENTS.] Beginning July 1, 1993, health carriers participating in the small employer market must offer and make available any health benefit plan that they offer, including both of the small employer plans provided in section 62L.05, to all small employers who satisfy the small employer participation requirements specified in this chapter. Compliance with these requirements is required as of the first renewal date of any small employer group occurring after July 1, 1993. For new small employer business, compliance is required as of the first date of offering occurring after July 1, 1993.

Compliance with these requirements is required as of the first renewal date occurring after July 1, 1993, with respect to employees of a small employer who had been issued individual coverage prior to July 1, 1993, administered by the health carrier on a group basis. Notwithstanding any other law to the contrary, the health carrier shall terminate any individual coverage for employees of small employers who satisfy the small employer participation require-

ments specified in section 62L.03 and offer to replace it with a health benefit plan. If the employer elects not to purchase a health benefit plan, the health carrier must offer all covered employees and dependents individual coverage. Small employer and individual coverage provided under this subdivision must be without application of underwriting restrictions, provided continuous coverage is maintained.

Subd. 2. [NEW CARRIERS.] A health carrier entering the small employer market after July 1, 1993, shall begin complying with the requirements of this chapter as of the first date of offering of a health benefit plan to a small employer. A health carrier entering the small employer market after July 1, 1993, is considered to be a member of the health coverage reinsurance association as of the date of the health carrier's initial offer of a health benefit plan to a small employer.

Sec. 5. [62L.05] [SMALL EMPLOYER PLAN BENEFITS.]

Subdivision 1. [TWO SMALL EMPLOYER PLANS.] Each health carrier in the small employer market must make available to any small employer both of the small employer plans described in subdivisions 2 and 3. Under subdivisions 2 and 3, coinsurance and deductibles do not apply to child health supervision services and prenatal services, as defined by section 62A.047. The maximum out-of-pocket costs for covered services must be $3,000 per individual and $6,000 per family per year. The maximum lifetime benefit must be $500,000. The out-of-pocket cost limits and the deductible amounts provided in subdivision 2 must be adjusted on July 1 every two years, based upon changes in the consumer price index, as of the end of the previous calendar year, as determined by the commissioner of commerce. Adjustments must be in increments of $50 and must not be made unless at least that amount of adjustment is required.

Subd. 2. [DEDUCTIBLE-TYPE SMALL EMPLOYER PLAN.] The benefits of the deductible-type small employer plan offered by a health carrier must be equal to 80 percent of the eligible charges for health care services, supplies, or other articles covered under the small employer plan, in excess of an annual deductible which must be $500 per individual and $1,000 per family.

Subd. 3. [COPAYMENT-TYPE SMALL EMPLOYER PLAN.] The benefits of the copayment-type small employer plan offered by a health carrier must be equal to 80 percent of the eligible charges for health care services, supplies, or other articles covered under the small employer plan, in excess of the following copayments:

(1) $15 per outpatient visit, other than to a hospital outpatient department or emergency room, urgent care center, or similar facility;

(2) $15 per day for the services of a home health agency or private duty registered nurse;

(3) $50 per outpatient visit to a hospital outpatient department or emergency room, urgent care center, or similar facility; and

(4) $300 per inpatient admission to a hospital.

Subd. 4. [BENEFITS.] The medical services and supplies listed in this subdivision are the benefits that must be covered by the small employer plans described in subdivisions 2 and 3:

(1) inpatient and outpatient hospital services, excluding services provided for the diagnosis, care, or treatment of chemical dependency or a mental illness or condition, other than those conditions specified in clauses (10), (11), and (12);

(2) physician and nurse practitioner services for the diagnosis or treatment of illnesses, injuries, or conditions;

(3) diagnostic X-rays and laboratory tests;

(4) ground transportation provided by a licensed ambulance service to the nearest facility qualified to treat the condition, or as otherwise required by the health carrier;

(5) services of a home health agency if the services qualify as reimbursable services under Medicare and are directed by a physician or qualify as reimbursable under the health carrier's most commonly sold health plan for insured group coverage;

(6) services of a private duty registered nurse if medically necessary, as determined by the health carrier;

(7) the rental or purchase, as appropriate, of durable medical equipment, other than eyeglasses and hearing aids;

(8) child health supervision services up to age 18, as defined in section 62A.047;

(9) maternity and prenatal care services, as defined in sections 62A.041 and 62A.047;

(10) inpatient hospital and outpatient services for the diagnosis and treatment of certain mental illnesses or conditions, as defined by the International Classification of Diseases-Clinical Modification (ICD-9-CM), seventh edition (1990) and as classified as ICD-9 codes 295 to 299;

(11) ten hours per year of outpatient mental health diagnosis or treatment for illnesses or conditions not described in clause (10);

(12) 60 hours per year of outpatient treatment of chemical dependency; and

(13) 50 percent of eligible charges for prescription drugs, up to a separate annual maximum out-of-pocket expense of $1,000 per individual for prescription drugs, and 100 percent of eligible charges thereafter.

Subd. 5. [PLAN VARIATIONS.] (a) No health carrier shall offer to a small employer a health benefit plan that differs from the two small employer plans described in subdivisions 1 to 4, unless the health benefit plan complies with all provisions of chapters 62A, 62C, 62D, 62E, 62H, and 64B that otherwise apply to the health carrier, except as expressly permitted by paragraph (b).

(b) As an exception to paragraph (a), a health benefit plan is deemed to be a small employer plan and to be in compliance with paragraph (a) if it differs from one of the two small employer plans described in subdivisions 1 to 4 only by providing benefits in addition to those described in subdivision 4, provided that the health care benefit plan has an actuarial value that exceeds the actuarial value of the benefits described in subdivision 4 by no more than two percent. "Benefits in addition" means additional units of a benefit listed in subdivision 4 or one or more benefits not listed in subdivision 4.

Subd. 6. [CHOICE PRODUCTS EXCEPTION.] Nothing in subdivision 1 prohibits a health carrier from offering a small employer plan which provides for different benefit coverages based on whether the benefit is provided through a primary network of providers or through a secondary network of providers so long as the benefits provided in the primary network equal the benefit requirements of the small employer plan as described in this section. For purposes of products issued under this subdivision, out-of-pocket costs in the secondary network may exceed the out-of-pocket limits described in subdivision 1.

Subd. 7. [BENEFIT EXCLUSIONS.] No medical, hospital, or other health care benefits, services, supplies, or articles not expressly specified in subdivision 4 are required to be included in a small employer plan. Nothing in subdivision 4 restricts the right of a health carrier to restrict coverage to those services, supplies, or articles which are medically necessary. Health carriers may exclude a benefit, service, supply, or article not expressly specified in subdivision 4 from a small employer plan.

Subd. 8. [CONTINUATION COVERAGE.] Small employer plans must include the continuation of coverage provisions required by the

Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Public Law Number 99-272, as amended through December 31, 1991, and by state law.

Subd. 9. [DEPENDENT COVERAGE.] Other state law and rules applicable to health plan coverage of newborn infants, dependent children who do not reside with the eligible employee, handicapped children and dependents, and adopted children apply to a small employer plan. Health benefit plans that provide dependent coverage must define "dependent" no more restrictively than the definition provided in section 62L.02.

Subd. 10. [MEDICAL EXPENSE REIMBURSEMENT.] Health carriers may reimburse or pay for medical services, supplies, or articles provided under a small employer plan in accordance with the health carrier's provider contract requirements including, but not limited to, salaried arrangements, capitation, the payment of usual and customary charges, fee schedules, discounts from fee-for-service, per diems, diagnostic-related groups (DRGs), and other payment arrangements. Nothing in this chapter requires a health carrier to develop, implement, or change its provider contract requirements for a small employer plan. Coinsurance, deductibles, out-of-pocket maximums, and maximum lifetime benefits must be calculated and determined in accordance with each health carrier's standard business practices.

Subd. 11. [PLAN DESIGN.] Notwithstanding any other law, regulation, or administrative interpretation to the contrary, health carriers may offer small employer plans through any provider arrangement, including, but not limited to, the use of open, closed, or limited provider networks. A health carrier may only use product and network designs currently allowed under existing statutory requirements. The provider networks offered by any health carrier may be specifically designed for the small employer market and may be modified at the carrier's election so long as all otherwise applicable regulatory requirements are met. Health carriers may use professionally recognized provider standards of practice when they are available, and may use utilization management practices otherwise permitted by law, including, but not limited to, second surgical opinions, prior authorization, concurrent and retrospective review, referral authorizations, case management, and discharge planning. A health carrier may contract with groups of providers with respect to health care services or benefits, and may negotiate with providers regarding the level or method of reimbursement provided for services rendered under a small employer plan.

Subd. 12. [DEMONSTRATION PROJECTS.] Nothing in this chapter prohibits a health maintenance organization from offering a demonstration project authorized under section 62D.30. The commissioner of health may approve a demonstration project which offers benefits that do not meet the requirements of a small employer

plan if the commissioner finds that the requirements of section 62D.30 are otherwise met.

Sec. 6. [62L.06] [DISCLOSURE OF UNDERWRITING RATING PRACTICES.]

When offering or renewing a health benefit plan, health carriers shall disclose in all solicitation and sales materials:

(1) the case characteristics and other rating factors used to determine initial and renewal rates;

(2) the extent to which premium rates for a small employer are established or adjusted based upon actual or expected variation in claim experience;

(3) provisions concerning the health carrier's right to change premium rates and the factors other than claim experience that affect changes in premium rates;

(4) provisions relating to renewability of coverage;

(5) the use and effect of any preexisting condition provisions, if permitted; and

(6) the application of any provider network limitations and their effect on eligibility for benefits.

Sec. 7. [62L.07] [SMALL EMPLOYER REQUIREMENTS.]

Subdivision 1. [VERIFICATION OF ELIGIBILITY.] Health benefit plans must require that small employers offering a health benefit plan maintain information verifying the continuing eligibility of the employer, its employees, and their dependents, and provide the information to health carriers on a quarterly basis or as reasonably requested by the health carrier.

Subd. 2. [WAIVERS.] Health benefit plans must require that small employers offering a health benefit plan maintain written documentation of a waiver of coverage by an eligible employee or dependent and provide the documentation to the health carrier upon reasonable request.

Sec. 8. [62L.08] [RESTRICTIONS RELATING TO PREMIUM RATES.]

Subdivision 1. [RATE RESTRICTIONS.] Premium rates for all health benefit plans sold or issued to small employers are subject to the restrictions specified in this section.

Subd. 2. [GENERAL PREMIUM VARIATIONS.] Beginning July 1, 1993, each health carrier must offer premium rates to small employers that are no more than 25 percent above and no more than 25 percent below the index rate charged to small employers for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this subdivision must be based only on health status, claims experience, industry of the employer, and duration of coverage from the date of issue. For purposes of this subdivision, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined to be actuarially valid and approved by the commissioner of commerce.

Subd. 3. [AGE-BASED PREMIUM VARIATIONS.] Beginning July 1, 1993, each health carrier may offer premium rates to small employers that vary based upon the ages of the eligible employees and dependents of the small employer only as provided in this subdivision. In addition to the variation permitted by subdivision 2, each health carrier may use an additional premium variation based upon age of up to plus or minus 50 percent of the index rate.

Subd. 4. [GEOGRAPHIC PREMIUM VARIATIONS.] A health carrier may request approval by the commissioner to establish no more than three geographic regions and to establish separate index rates for each region, provided that the index rates do not vary between regions by more than five percent. The commissioner may grant approval if the following conditions are met:

(1) the geographic regions must be applied uniformly by the health carrier;

(2) the geographic regions are based on the seven-county metropolitan area, urban regions located outside the seven-county metropolitan area, and rural regions; and

(3) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.

Subd. 5. [GENDER-BASED RATES PROHIBITED.] Beginning July 1, 1993, no health carrier may determine premium rates through a method that is in any way based upon the gender of eligible employees or dependents.

Subd. 6. [RATE CELLS PERMITTED.] Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based on the number of adults and children covered under the policy and may reflect the availability of Medicare coverage.

Subd. 7. [INDEX AND PREMIUM RATE DEVELOPMENT.] In developing its index rates and premiums, a health carrier may take into account only the following factors:

(1) actuarially valid differences in benefit designs of health benefit plans;

(2) actuarially valid differences in the rating factors permitted in subdivisions 2 and 3;

(3) actuarially valid geographic variations if approved by the commissioner as provided in subdivision 4.

Subd. 8. [FILING REQUIREMENT.] No later than July 1, 1993, and each year thereafter, a health carrier that offers, sells, issues, or renews a health benefit plan for small employers shall file with the commissioner of commerce the index rates and must demonstrate that all rates shall be within the rating restrictions defined in this chapter. Such demonstration must include the allowable range of rates from the index rates and a description of how the health carrier intends to use demographic factors including case characteristics in calculating the premium rates.

Subd. 9. [EFFECT OF ASSESSMENTS.] Premium rates must comply with the rating requirements of this section, notwithstanding the imposition of any assessments or premiums paid by health carriers as provided under sections 62L.13 to 62L.22.

Subd. 10. [RATING REPORT.] Beginning January 1, 1995, and annually thereafter, the commissioners of health and commerce shall provide a joint report to the legislature on the effect of the rating restrictions required by this section and the appropriateness of proceeding with additional rate reform. Each report must include an analysis of the availability of health care coverage due to the rating reform, the equitable and appropriate distribution of risk and associated costs, the effect on the self-insurance market, and any resulting or anticipated change in health plan design and market share and availability of health carriers.

Sec. 9. [62L.09] [CESSATION OF SMALL EMPLOYER BUSINESS.]

Subdivision 1. [NOTICE TO COMMISSIONER.] A health carrier electing to cease doing business in the small employer market shall notify the commissioner 180 days prior to the effective date of the cessation. The cessation of business does not include the following activities:

(1) the failure of a health carrier to offer or issue new business in the small employer market or continue an existing product line,

provided that a health carrier does not terminate, cancel, or fail to renew its current small employer business or other product lines; or

(2) the inability of any health carrier to offer or renew a health benefit plan because it has given notice to the commissioner that it will not have the capacity within a specific provider site under contract to or owned by the health carrier to adequately deliver services to the enrollees, insureds, or subscribers of health benefit plans. Any health carrier that ceases to offer a particular provider site to the small employer market must also cease to offer that provider site to new groups other than small employers for any of its products.

Subd. 2. [NOTICE TO EMPLOYERS.] A health carrier electing to cease doing business in the small employer market shall provide 120 days' written notice to each small employer covered by a health benefit plan issued by the health carrier. A health carrier that ceases to write new business in the small employer market shall continue to be governed by this chapter with respect to continuing small employer business conducted by the carrier.

Subd. 3. [REENTRY PROHIBITION.] A health carrier that ceases to do business in the small employer market after July 1, 1993, is prohibited from writing new business in the small employer market in this state for a period of five years from the date of notice to the commissioner. This subdivision applies to any health maintenance organization that ceases to do business in the small employer market in one service area with respect to that service area only. Nothing in this subdivision prohibits an affiliated health maintenance organization from continuing to do business in the small employer market in that same service area.

Subd. 4. [CONTINUING ASSESSMENT LIABILITY.] A health carrier that ceases to do business in the small employer market remains liable for assessments levied by the association as provided in section 62L.22.

Sec. 10. [62L.10] [SUPERVISION BY COMMISSIONER.]

Subdivision 1. [REPORTS.] A health carrier doing business in the small employer market shall file by April 1 of each year an annual actuarial opinion with the commissioner of commerce certifying that the health carrier complied with the underwriting and rating requirements of this chapter during the preceding year and that the rating methods used by the health carrier were actuarially sound. A health carrier shall retain a copy of the opinion at its principal place of business.

Subd. 2. [RECORDS.] A health carrier doing business in the small employer market shall maintain at its principal place of business a complete and detailed description of its rating practices and renewal

underwriting practices, including information and documentation that demonstrate that its rating methods and practices are based upon commonly accepted actuarial assumptions and are in accordance with sound actuarial principles.

Subd. 3. [SUBMISSIONS TO COMMISSIONER.] Subsequent to the annual filing, the commissioner of commerce may request information and documentation from a health carrier describing its rating practices and renewal underwriting practices, including information and documentation that demonstrates that a health carrier's rating methods and practices are in accordance with sound actuarial principles and the requirements of this chapter. Except in cases of violations of this chapter or of another chapter, information received by the commissioner as provided under this subdivision is nonpublic.

Subd. 4. [REVIEW OF PREMIUM RATES.] The commissioner shall regulate premium rates charged or proposed to be charged by all health carriers in the small employer market under section 62A.02.

Subd. 5. [TRANSITIONAL PRACTICES.] The commissioner of commerce shall disapprove index rates, premium variations, or other practices of a health carrier if they violate the spirit of this chapter and are the result of practices engaged in by the health carrier between the date of final enactment of this act and July 1, 1993, where the practices engaged in were carried out for the purpose of evading the spirit of this chapter.

Sec. 11. [62L.11] [PENALTIES AND ENFORCEMENT.]

Subdivision 1. [DISCIPLINARY PROCEEDINGS.] The commissioner may, by order, suspend or revoke a health carrier's license or certificate of authority and impose a monetary penalty not to exceed $25,000 for each violation of this chapter, including the failure to pay an assessment required by section 62L.22. The notice, hearing, and appeal procedures specified in section 60A.051 or 62D.16, as appropriate, apply to the order. The order is subject to judicial review as provided under chapter 14.

Subd. 2. [ENFORCEMENT POWERS.] The commissioners of health and commerce each has for purposes of this chapter all of each commissioner's respective powers under other chapters that are applicable to their respective duties under this chapter.

Sec. 12. [62L.12] [PROHIBITED PRACTICES.]

Subdivision 1. [PROHIBITION ON ISSUANCE OF INDIVIDUAL POLICIES.] A health carrier operating in the small employer market shall not knowingly offer, issue, or renew an individual

policy, subscriber contract, or certificate to an eligible employee or dependent of a small employer that meets the minimum participation requirements defined in section 62L.03, subdivision 3, except as authorized under subdivision 2.

Subd. 2. [EXCEPTIONS.] (a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may sell, issue, or renew conversion policies under section 62E.16 to eligible employees and dependents.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees and dependents as required.

(e) A health carrier may sell, issue, or renew individual coverage if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group coverage or due to the person's need for health care services not covered under the employer's group policy.

(f) A health carrier may sell, issue, or renew an individual policy, with the prior consent of the commissioner, if the individual has elected to buy the individual coverage not as part of a general plan to substitute individual coverage for group coverage nor as a result of any violation of subdivision 3 or 4.

(g) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

Subd. 3. [AGENT'S LICENSURE.] An agent licensed under chapter 60A or section 62C.17 who knowingly and willfully breaks apart a small group for the purpose of selling individual policies to eligible employees and dependents of a small employer that meets the participation requirements of section 62L.03, subdivision 3, is guilty of an unfair trade practice and subject to the revocation or suspension of license under section 60A.17, subdivision 6c, or 62C.17. The action must be by order and subject to the notice, hearing, and appeal procedures specified in section 60A.17, subdivision 6d. The action of the commissioner is subject to judicial review as provided under chapter 14.

Subd. 4. [EMPLOYER PROHIBITION.] A small employer shall not encourage or direct an employee or applicant to:

(1) refrain from filing an application for health coverage when other similarly situated employees may file an application for health coverage;

(2) file an application for health coverage during initial eligibility for coverage, the acceptance of which is contingent on health status, when other similarly situated employees may apply for health coverage, the acceptance of which is not contingent on health status;

(3) seek coverage from another carrier, including, but not limited to, MCHA; or

(4) cause coverage to be issued on different terms because of the health status or claims experience of that person or the person's dependents.

Subd. 5. [SALE OF OTHER PRODUCTS.] A health carrier shall not condition the offer, sale, issuance, or renewal of a health benefit plan on the purchase by a small employer of other insurance products offered by the health carrier or a subsidiary or affiliate of the health carrier, including, but not limited to, life, disability, property, and general liability insurance. This prohibition does not apply to insurance products offered as a supplement to a health maintenance organization plan, including, but not limited to, supplemental benefit plans under section 62D.05, subdivision 6. This prohibition does not apply to accidental death or dismembership coverage up to $15,000 included in a health benefit plan other than a small employer plan.

Sec. 13. [62L.13] [REINSURANCE ASSOCIATION.]

Subdivision 1. [CREATION.] The health coverage reinsurance association is established as a nonprofit corporation. All health carriers in the small employer market shall be and remain members of the association as a condition of their authority to transact business.

Subd. 2. [PURPOSE.] The association is established to provide for the fair and equitable transfer of risk associated with participation by a health carrier in the small employer market to a private reinsurance pool established and maintained by the association.

Subd. 3. [EXEMPTIONS.] The association, its transactions, and all property owned by it are exempt from taxation under the laws of this state or any of its subdivisions, including, but not limited to, income tax, sales tax, use tax, and property tax. The association may seek exemption from payment of all fees and taxes levied by the

federal government. Except as otherwise provided in this chapter, the association is not subject to the provisions of chapters 13, 14, 60A, 62A to 62H, and section 471.705. The association is not a public employer and is not subject to the provisions of chapters 179A and 353. Health carriers who are members of the association are exempt from the provisions of sections 325D.49 to 325D.66 in the performance of their duties as members of the association.

Subd. 4. [POWERS OF ASSOCIATION.] The association may exercise all of the powers of a corporation formed under chapter 317A, including, but not limited to, the authority to:

(1) establish operating rules, conditions, and procedures relating to the reinsurance of members' risks;

(2) assess members in accordance with the provisions of this section and to make advance interim assessments as may be reasonable and necessary for organizational and interim operating expenses;

(3) sue and be sued, including taking any legal action necessary to recover any assessments;

(4) enter into contracts necessary to carry out the provisions of this chapter;

(5) establish operating, administrative, and accounting procedures for the operation of the association; and

(6) borrow money against the future receipt of premiums and assessments up to the amount of the previous year's assessment, with the prior approval of the commissioner.

The provisions of this chapter govern if the provisions of chapter 317A conflict with this chapter. The association shall adopt bylaws and shall be governed in accordance with this chapter and chapter 317A.

Subd. 5. [SUPERVISION BY COMMISSIONER.] The commissioner of commerce shall supervise the association in accordance with this chapter. The commissioner of commerce may examine the association. The association's reinsurance policy forms, its contracts, its premium rates, and its assessments are subject to the approval of the commissioner of commerce. The association shall notify the commissioner of all association or board meetings, and the commissioner or the commissioner's designee may attend all association or board meetings. The association shall file an annual report with the commissioner on or before July 1 of each year, beginning July 1, 1994, describing its activities during the preceding calendar year. The report must include a financial report and a summary of claims

paid by the association. The annual report must be available for public inspection.

Sec. 14. [62L.14] [BOARD OF DIRECTORS.]

Subdivision 1. [COMPOSITION OF BOARD.] The association shall exercise its powers through a board of 13 directors. Four members must be public members appointed by the commissioner. The public members must not be employees of or otherwise affiliated with any member of the association. The nonpublic members of the board must be representative of the membership of the association and must be officers, employees, or directors of the members during their term of office. No member of the association may have more than three members of the board. Directors are automatically removed if they fail to satisfy this qualification.

Subd. 2. [ELECTION OF BOARD.] On or before July 1, 1992, the commissioner shall appoint an interim board of directors of the association who shall serve through the first annual meeting of the members and for the next two years. Except for the public members, the commissioner's initial appointments must be equally apportioned among the following three categories: accident and health insurance companies, nonprofit health service plan corporations, and health maintenance organizations. Thereafter, members of the association shall elect the board of directors in accordance with this chapter and the bylaws of the association, subject to approval by the commissioner. Members of the association may vote in person or by proxy. The public members shall continue to be appointed by the commissioner.

Subd 3. [TERM OF OFFICE.] The first annual meeting must be held by December 1, 1992. After the initial two-year period, each director shall serve a three-year term, except that the board shall make appropriate arrangements to stagger the terms of the board members so that approximately one-third of the terms expire each year. Each director shall hold office until expiration of the director's term or until the director's successor is duly elected or appointed and qualified, or until the director's death, resignation, or removal.

Subd. 4. [RESIGNATION AND REMOVAL.] A director may resign at any time by giving written notice to the commissioner. The resignation takes effect at the time the resignation is received unless the resignation specifies a later date. A nonpublic director may be removed at any time, with cause, by the members.

Subd. 5. [QUORUM.] A majority of the members of the board of directors constitutes a quorum for the transaction of business. If a vacancy exists by reason of death, resignation, or otherwise, a majority of the remaining directors constitutes a quorum.

Subd. 6. [DUTIES OF DIRECTORS.] The board of directors shall

adopt or amend the association's bylaws. The bylaws may contain any provision for the purpose of administering the association that is not inconsistent with this chapter. The board shall manage the association in furtherance of its purposes and as provided in its bylaws. On or before January 1, 1993, the board or the interim board shall develop a plan of operation and reasonable operating rules to assure the fair, reasonable, and equitable administration of the association. The plan of operation must include the development of procedures for selecting an administering carrier, establishment of the powers and duties of the administering carrier, and establishment of procedures for collecting assessments from members, including the imposition of interest penalties for late payments of assessments. The plan of operation must be submitted to the commissioner for review and must be submitted to the members for approval at the first meeting of the members. The board of directors may subsequently amend, change, or revise the plan of operation without approval by the members.

Subd. 7. [COMPENSATION.] Members of the board may be reimbursed by the association for reasonable and necessary expenses incurred by them in performing their duties as directors, but shall not otherwise be compensated by the association for their services.

Subd. 8. [OFFICERS.] The board may elect officers and establish committees as provided in the bylaws of the association. Officers have the authority and duties in the management of the association as prescribed by the bylaws and determined by the board of directors.

Subd. 9. [MAJORITY VOTE.] Approval by a majority of the board members present is required for any action of the board. The majority vote must include one vote from a board member representing an accident and health insurance company, one vote from a board member representing a health service plan corporation, one vote from a board member representing a health maintenance organization, and one vote from a public member.

Sec. 15. [62L.15] [MEMBERS.]

Subdivision 1. [ANNUAL MEETING.] The association shall conduct an annual meeting of the members of the association for the purpose of electing directors and transacting any other appropriate business of the membership of the association. The board shall determine the date, time, and place of the annual meeting. The association shall conduct its first annual member meeting on or before December 1, 1992.

Subd. 2. [SPECIAL MEETINGS.] Special meetings of the members must be held whenever called by any three of the directors. At least two categories must be represented among the directors calling a special meeting of the members. The categories are accident and

health insurance companies, nonprofit health service plan corporations, and health maintenance organizations. Special meetings of the members must be held at a time and place designated in the notice of the meeting.

Subd. 3. [MEMBER VOTING.] Each member has an equal vote.

Subd. 4. [INITIAL MEMBER MEETING.] At least 60 days before the first annual meeting of the members, the commissioner shall give written notice to all members of the time and place of the member meeting. The members shall elect directors representing the members, approve the initial plan of operation of the association, and transact any other appropriate business of the membership of the association.

Subd. 5. [MEMBER COMPLIANCE.] All members shall comply with the provisions of this chapter, the association's bylaws, the plan of operation developed by the board of directors, and any other operating, administrative, or other procedures established by the board of directors for the operation of the association. The board may request the commissioner to secure compliance with this chapter through the use of any enforcement action otherwise available to the commissioner.

Sec. 16. [62L.16] [ADMINISTRATION OF ASSOCIATION.]

Subdivision 1. [ADMINISTERING CARRIER.] The association shall contract with a qualified health carrier to operate and administer the association. If there is no available qualified health carrier, or in the event of a termination under subdivision 2, the association may directly operate and administer the reinsurance program. The administering carrier shall perform all administrative functions required by this chapter. The board of directors shall develop administrative functions required by this chapter and written criteria for the selection of an administering carrier. The administering carrier must be selected by the board of directors, subject to approval by the commissioner.

Subd. 2. [TERM.] The administering carrier shall serve for a period of three years, unless the administering carrier requests the termination of its contract and the termination is approved by the board of directors. The board of directors shall approve or deny a request to terminate within 90 days of its receipt after consultation with the commissioner. A failure to make a final decision on a request to terminate within 90 days is considered an approval.

Subd. 3. [DUTIES OF ADMINISTERING CARRIER.] The association shall enter into a written contract with the administering carrier to carry out its duties and responsibilities. The administering carrier shall perform all administrative functions required by this chapter including the:

(1) preparation and submission of an annual report to the commissioner;

(2) preparation and submission of monthly reports to the board of directors;

(3) calculation of all assessments and the notification thereof of members;

(4) payment of claims to health carriers following the submission by health carriers of acceptable claim documentation; and

(5) provision of claim reports to health carriers as determined by the board of directors.

Subd. 4. [BID PROCESS.] The association shall issue a request for proposal for administration of the reinsurance association and shall solicit responses from health carriers participating in the small employer market and from other qualified insurers and reinsurers. Methods of compensation of the administrator must be a part of the bid process. The administering carrier shall substantiate its cost reports consistent with generally accepted accounting principles.

Subd. 5. [AUDITS.] The board of directors may conduct periodic audits to verify the accuracy of financial data and reports submitted by the administering carrier.

Subd. 6. [RECORDS OF ASSOCIATION.] The association shall maintain appropriate records and documentation relating to the activities of the association. All individual patient-identifying claims data and information are confidential and not subject to disclosure of any kind, except that a health carrier shall have access upon request to individual claims data relating to eligible employees and dependents covered by a health benefit plan issued by the health carrier. All records, documents, and work product prepared by the association or by the administering carrier for the association are the property of the association. The commissioner shall have access to the data for the purposes of carrying out the supervisory functions provided for in this chapter.

Sec. 17. [62L.17] [PARTICIPATION IN THE REINSURANCE ASSOCIATION.]

Subdivision 1. [MINIMUM STANDARDS.] The board of directors or the interim board shall establish minimum claim processing and managed care standards which must be met by a health carrier in order to reinsure business.

Subd. 2. [PARTICIPATION.] A health carrier may elect to not participate in the reinsurance association through transferring risk

only after filing an application with the commissioner of commerce. The commissioner may approve the application after consultation with the board of directors. In determining whether to approve an application, the commissioner shall consider whether the health carrier meets the following standards:

(1) demonstration by the health carrier of a substantial and established market presence;

(2) demonstrated experience in the small group market and history of rating and underwriting small employer groups;

(3) commitment to comply with the requirements of this chapter for small employers in the state or its service area; and

(4) financial ability to assume and manage the risk of enrolling small employer groups without the protection of the reinsurance.

Initial application for nonparticipation must be filed with the commissioner no later than October 15, 1992. The commissioner shall make the determination and notify the carrier no later than November 15, 1992.

Subd. 3. [LENGTH OF PARTICIPATION.] A health carrier's initial election is for a period of two years. Subsequent elections of participation are for five-year periods.

Subd. 4. [APPEAL.] A health carrier whose application for nonparticipation has been rejected by the commissioner may appeal the decision. The association may also appeal a decision of the commissioner, if approved by a two-thirds majority of the board. Chapter 14 applies to all appeals.

Subd. 5. [ANNUAL CERTIFICATION.] A health carrier that has received approval to not participate in the reinsurance association shall annually certify to the commissioner on or before December 1 that it continues to meet the standards described in subdivision 2.

Subd. 6. [SUBSEQUENT ELECTION.] Election to participate in the reinsurance association must occur on or before December 31 of each year. If after a period of nonparticipation, the nonparticipating health carrier subsequently elects to participate in the reinsurance association, the health carrier retains the risk it assumed when not participating in the association.

If a participating health carrier subsequently elects to not participate in the reinsurance association, the health carrier shall cease reinsuring through the association all of its small employer business and is liable for any assessment described in section 62L.22 which

has been prorated based on the business covered by the reinsurance mechanism during the year of the assessment.

Subd. 7. [ELECTION MODIFICATION.] The commissioner, after consultation with the board, may authorize a health carrier to modify its election to not participate in the association at any time, if the risk from the carrier's existing small employer business jeopardizes the financial condition of the health carrier. If the commissioner authorizes a health carrier to participate in the association, the health carrier shall retain the risk it assumed while not participating in the association. This election option may not be exercised if the health carrier is in rehabilitation.

Sec. 18. [62L.18] [CEDING OF RISK.]

Subdivision 1. [PROSPECTIVE CEDING.] For health benefit plans issued on or after July 1, 1993, all health carriers participating in the association may prospectively reinsure an employee or dependent within a small employer group and entire employer groups of seven or fewer eligible employees. A health carrier must determine whether to reinsure an employee or dependent or entire group within 60 days of the commencement of the coverage of the small employer and must notify the association during that time period.

Subd. 2. [ELIGIBILITY FOR REINSURANCE.] A health carrier may not reinsure existing small employer business through the association. A health carrier may reinsure an employee or dependent who previously had coverage from MCHA who is now eligible for coverage through the small employer group at the time of enrollment as defined in section 62L.03, subdivision 6. A health carrier may not reinsure individuals who have existing individual health care coverage with that health carrier upon replacement of the individual coverage with group coverage as provided in section 62L.04, subdivision 1.

Subd. 3. [REINSURANCE TERMINATION.] A health carrier may terminate reinsurance through the association for an employee or dependent or entire group on the anniversary date of coverage for the small employer. If the health carrier terminates the reinsurance, the health carrier may not subsequently reinsure the individual or entire group.

Subd. 4. [CONTINUING CARRIER RESPONSIBILITY.] A health carrier transferring risk to the association is completely responsible for administering its health benefit plans. A health carrier shall apply its case management and claim processing techniques consistently between reinsured and nonreinsured business. Small employers, eligible employees, and dependents shall not be notified that the health carrier has reinsured their coverage through the association.

Sec. 19. [62L.19] [ALLOWED REINSURANCE BENEFITS.]

A health carrier may reinsure through the association only those benefits described in section 62L.05.

Sec. 20. [62L.20] [TRANSFER OF RISK.]

Subdivision 1. [REINSURANCE THRESHOLD.] A health carrier participating in the association may transfer up to 90 percent of the risk above a reinsurance threshold of $5,000 of eligible charges resulting from issuance of a health benefit plan to an eligible employee or dependent of a small employer group whose risk has been prospectively ceded to the association. If the eligible charges exceed $50,000, a health carrier participating in the association may transfer 100 percent of the risk each policy year not to exceed 12 months.

Satisfaction of the reinsurance threshold must be determined by the board of directors based on eligible charges. The board may establish an audit process to assure consistency in the submission of charge calculations by health carriers to the association.

Subd. 2. [CONVERSION FACTORS.] The board shall establish a standardized conversion table for determining equivalent charges for health carriers that use alternative provider reimbursement methods. If a health carrier establishes to the board that the carrier's conversion factor is equivalent to the association's standardized conversion table, the association shall accept the health carrier's conversion factor.

Subd. 3. [BOARD AUTHORITY.] The board shall establish criteria for changing the threshold amount or retention percentage. The board shall review the criteria on an annual basis. The board shall provide the members with an opportunity to comment on the criteria at the time of the annual review.

Subd. 4. [NOTIFICATION OF TRANSFER OF RISK.] A participating health carrier must notify the association, within 90 days of receipt of proof of loss, of satisfaction of a reinsurance threshold. After satisfaction of the reinsurance threshold, a health carrier continues to be liable to its providers, eligible employees, and dependents for payment of claims in accordance with the health carrier's health benefit plan. Health carriers shall not pend or delay payment of otherwise valid claims due to the transfer of risk to the association.

Subd. 5. [PERIODIC STUDIES.] The board shall, on a biennial basis, prepare and submit a report to the commissioner of commerce on the effect of the reinsurance association on the small employer market. The first study must be presented to the commissioner no

later than January 1, 1995, and must specifically address whether there has been disruption in the small employer market due to unnecessary churning of groups for the purpose of obtaining reinsurance and whether it is appropriate for health carriers to transfer the risk of their existing small group business to the reinsurance association. After two years of operation, the board shall study both the effect of ceding both individuals and entire small groups of seven or fewer eligible employees to the reinsurance association and the composition of the board and determine whether the initial appointments reflect the types of health carriers participating in the reinsurance association and whether the voting power of members of the association should be weighted and recommend any necessary changes.

Sec. 21. [62L.21] [REINSURANCE PREMIUMS.]

Subdivision 1. [MONTHLY PREMIUM.] A health carrier ceding an individual to the reinsurance association shall be assessed a monthly reinsurance coverage premium that is 5.0 times the adjusted average market price. A health carrier ceding an entire group to the reinsurance association shall be assessed a monthly reinsurance coverage premium that is 1.5 times the adjusted average market price. The adjusted average market premium price must be established by the board of directors in accordance with its plan of operation. The board may consider benefit levels in establishing the reinsurance coverage premium.

Subd. 2. [ADJUSTMENT OF PREMIUM RATES.] The board of directors shall establish operating rules to allocate adjustments to the reinsurance premium charge of no more than minus 25 percent of the monthly reinsurance premium for health carriers that can demonstrate administrative efficiencies and cost-effective handling of equivalent risks. The adjustment must be made annually on a retrospective basis. The operating rules must establish objective and measurable criteria which must be met by a health carrier in order to be eligible for an adjustment. These criteria must include consideration of efficiency attributable to case management, but not consideration of such factors as provider discounts.

Subd. 3. [LIABILITY FOR PREMIUM.] A health carrier is liable for the cost of the reinsurance premium and may not directly charge the small employer for the costs. The reinsurance premium may be reflected only in the rating factors permitted in section 62L.08, as provided in section 62L.08, subdivision 10.

Sec. 22. [62L.22] [ASSESSMENTS.]

Subdivision 1. [ASSESSMENT BY BOARD.] For the purpose of providing the funds necessary to carry out the purposes of the association, the board of directors shall assess members as provided in subdivisions 2, 3, and 4 at the times and for the amounts the

board of directors finds necessary. Assessments are due and payable on the date specified by the board of directors, but not less than 30 days after written notice to the member. Assessments accrue interest at the rate of six percent per year on or after the due date.

Subd. 2. [INITIAL CAPITALIZATION.] The interim board of directors shall determine the initial capital operating requirements for the association. The board shall assess each licensed health carrier $100 for the initial capital requirements of the association. The assessment is due and payable no later than January 1, 1993.

Subd. 3. [RETROSPECTIVE ASSESSMENT.] On or before July 1 of each year, the administering carrier shall determine the association's net loss, if any, for the previous calendar year, the program expenses of administration, and other appropriate gains and losses. If reinsurance premium charges are not sufficient to satisfy the operating and administrative expenses incurred or estimated to be incurred by the association, the board of directors shall assess each member participating in the association in proportion to each member's respective share of the total insurance premiums, subscriber contract payments, health maintenance organization payments, and other health benefit plan revenue derived from or on behalf of small employers during the preceding calendar year. The assessments must be calculated by the board of directors based on annual statements and other reports considered necessary by the board of directors and filed by members with the association. The amount of the assessment shall not exceed four percent of the member's small group market premium. In establishing this assessment, the board shall consider a formula based on total small employer premiums earned and premiums earned from newly issued small employer plans. A member's assessment may not be reduced or increased by more than 50 percent as a result of using that formula, which includes a reasonable cap on assessments on any premium category or premium classification. The board of directors may provide for interim assessments as it considers necessary to appropriately carry out the association's responsibilities. The board of directors may establish operating rules to provide for changes in the assessment calculation.

Subd. 4. [ADDITIONAL ASSESSMENTS.] If the board of directors determines that the retrospective assessment formula described in subdivision 3 is insufficient to meet the obligations of the association, the board of directors shall assess each member not participating in the reinsurance association, but which is providing health plan coverage in the small employer market, in proportion to each member's respective share of the total insurance premiums, subscriber contract payments, health maintenance organization payments, and other health benefit plan revenue derived from or on behalf of small employers during the preceding calendar year. The assessment must be calculated by the board of directors based on annual statements and other reports considered necessary by the

board of directors and filed by members with the association. The amount of the assessment may not exceed one percent of the member's small group market premium. Members who paid the retrospective assessment described in subdivision 3 are not subject to the additional assessment.

If the additional assessment is insufficient to meet the obligations of the association, the board of directors may assess members participating in the association who paid the retrospective assessment described in subdivision 3 up to an additional one percent of the member's small group market premium.

Subd. 5. [ABATEMENT OR DEFERMENT.] The association may abate or defer, in whole or in part, the retrospective assessment of a member if, in the opinion of the commissioner, payment of the assessment would endanger the ability of the member to fulfill its contractual obligations or the member is placed under an order of rehabilitation, liquidation, receivership, or conservation by a court of competent jurisdiction. In the event that a retrospective assessment against a member is abated or deferred, in whole or in part, the amount by which the assessment is abated or deferred may be assessed against other members in accordance with the methodology specified in subdivisions 3 and 4.

Subd. 6. [REFUND.] The board of directors may refund to members, in proportion to their contributions, the amount by which the assets of the association exceed the amount the board of directors finds necessary to carry out its responsibilities during the next calendar year. A reasonable amount may be retained to provide funds for the continuing expenses of the association and for future losses.

Subd. 7. [APPEALS.] A health carrier may appeal to the commissioner of commerce within 30 days of notice of an assessment by the board of directors. A final action or order of the commissioner is subject to judicial review in the manner provided in chapter 14.

Subd. 8. [LIABILITY FOR ASSESSMENT.] Employer liability for other costs of a health carrier resulting from assessments made by the association under this section are limited by the rate spread restrictions specified in section 62L.08.

Sec. 23. [62L.23] [LOSS RATIO STANDARDS.]

Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, each policy or contract form used with respect to a health benefit plan offered, or issued in the small employer market, is subject, beginning July 1, 1993, to section 62A.021.

Sec. 24. [COMMISSIONER OF COMMERCE STUDY.]

The commissioner of commerce shall study and provide a written report and recommendations to the legislature that analyze the effects of this article and future measures that the legislature could enact to achieve the purpose set forth in section 62L.01, subdivision 3. The commissioner shall study, report, and make recommendations on the following:

(1) the effects of this article on availability of coverage, average premium rates, variations in premium rates, the number of uninsured and underinsured residents of this state, the types of health benefit plans chosen by employers, and other effects on the market for health benefit plans for small employers;

(2) the desirability and feasibility of achieving the goal stated in section 62L.01, subdivision 3, in the small employer market by means of the following timetable:

(i) as of July 1, 1994, a reduction of the age rating bands to 30 percent on each side of the index rate, accompanied by a proportional reduction of the general premium rating bands to 15 percent on each side of the index rate;

(ii) as of July 1, 1995, a reduction in the bands described in the preceding clause to 20 percent and ten percent respectively;

(iii) as of July 1, 1996, a reduction in the bands referenced in the preceding clause to ten percent and five percent respectively; and

(iv) as of July 1, 1997, a ban on all rating bands; and

(3) Any other aspects of the small employer market considered relevant by the commissioner.

The commissioner shall file the written report and recommendations with the legislature no later than December 1, 1993.

Sec. 25. [EFFECTIVE DATES.]

Sections 1 to 12 and 23 are effective July 1, 1993. Sections 13 to 22 are effective the day following final enactment.

ARTICLE 3

INSURANCE REFORM: INDIVIDUAL MARKET AND MISCELLANEOUS

Section 1. [62A.011] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a nonprofit health service plan corporation operating under chapter 62C; a health maintenance organization operating under chapter 62D; a fraternal benefit society operating under chapter 64B; or a joint self-insurance employee health plan operating under chapter 62H.

Subd. 3. [HEALTH PLAN.] "Health plan" means a policy or certificate of accident and sickness insurance as defined in section 62A.01 offered by an insurance company licensed under chapter 60A; a subscriber contract or certificate offered by a nonprofit health service plan corporation operating under chapter 62C; a health maintenance contract or certificate offered by a health maintenance organization operating under chapter 62D; a health benefit certificate offered by a fraternal benefit society operating under chapter 64B; or health coverage offered by a joint self-insurance employee health plan operating under chapter 62H. Health plan means individual and group coverage, unless otherwise specified.

Sec. 2. Minnesota Statutes 1990, section 62A.02, subdivision 1, is amended to read:

Subdivision 1. [FILING.] No ~~policy of accident and sickness insurance~~ health plan as defined in section 62A.011 shall be issued or delivered to any person in this state, nor shall any application, rider, or endorsement be used in connection ~~therewith~~ with the health plan, until a copy of ~~the~~ its form ~~thereof~~ and of the classification of risks and the premium rates pertaining ~~thereto~~ to the form have been filed with the commissioner. The filing for nongroup ~~policies~~ health plan forms shall include a statement of actuarial reasons and data to support the ~~need for any premium~~ rate ~~increase~~. For health benefit plans as defined in section 62L.02, and for health plans to be issued to individuals, the health carrier shall file with the commissioner the information required in section 62L.08, subdivision 8. For group health plans for which approval is sought for sales only outside of the small employer market as defined in section 62L.02, this section applies only to policies or contracts of accident and sickness insurance. All forms intended for issuance in the individual or small employer market must be accompanied by a statement as to the expected loss ratio for the form. Premium rates and forms relating to specific insureds or proposed insureds, whether individuals or groups, need not be filed, unless requested by the commissioner.

Sec. 3. Minnesota Statutes 1990, section 62A.02, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] ~~No such policy~~ The health plan form shall not be issued, nor shall any application, rider, ~~or~~ endorsement, or rate be used in connection ~~therewith~~ with it, until the expiration of 60 days after it has been ~~so~~ filed unless the commissioner ~~shall sooner give written approval thereto~~ approves it before that time.

Sec. 4. Minnesota Statutes 1990, section 62A.02, subdivision 3, is amended to read:

Subd. 3. [STANDARDS FOR DISAPPROVAL.] The commissioner shall, within 60 days after the filing of any form or rate, disapprove the form or rate:

(1) if the benefits provided ~~therein~~ are ~~unreasonable~~ not reasonable in relation to the premium charged;

(2) if it contains a provision or provisions which are unjust, unfair, inequitable, misleading, deceptive or encourage misrepresentation of the ~~policy~~ health plan form, or otherwise does not comply with this chapter, chapter 62L, or chapter 72A; ~~or~~

(3) if the proposed premium rate is excessive ~~because the insurer has failed to exercise reasonable cost control~~ or not adequate; or

(4) the actuarial reasons and data submitted do not justify the rate.

The party proposing a rate has the burden of proving by a preponderance of the evidence that it does not violate this subdivision.

In determining the reasonableness of a rate, the commissioner shall also review all administrative contracts, service contracts, and other agreements to determine the reasonableness of the cost of the contracts or agreement and effect of the contracts on the rate. If the commissioner determines that a contract or agreement is not reasonable, the commissioner shall disapprove any rate that reflects any unreasonable cost arising out of the contract or agreement. The commissioner may require any information that the commissioner deems necessary to determine the reasonableness of the cost.

For the purposes of ~~clause (1)~~ this subdivision, the commissioner shall establish by rule a schedule of minimum anticipated loss ratios which shall be based on (i) the type or types of coverage provided, (ii) whether the policy is for group or individual coverage, and (iii) the size of the group for group policies. Except for individual policies of disability or income protection insurance, the minimum anticipated loss ratio shall not be less than 50 percent after the first year that a policy is in force. All applicants for a policy shall be informed in writing at the time of application of the anticipated loss ratio of the

policy. ~~For the purposes of this subdivision,~~ "Anticipated loss ratio" means the ratio at the time of ~~form~~ filing, at the time of notice of withdrawal under subdivision 4a, or at the time of subsequent rate revision of the present value of all expected future benefits, excluding dividends, to the present value of all expected future premiums. ~~Nothing in this paragraph shall prohibit the commissioner from disapproving a form which meets the requirements of this paragraph but which the commissioner determines still provides benefits which are unreasonable in relation to the premium charged.~~

If the commissioner notifies ~~an insurer which~~ a health carrier that has filed any form or rate that ~~the form~~ it does not comply with ~~the provisions of~~ this ~~section or sections 62A.03 to 62A.05 and 72A.20~~ chapter, chapter 62L, or chapter 72A, it shall be unlawful ~~thereafter~~ for the ~~insurer~~ health carrier to issue or use the form or ~~use it in connection with any policy~~ rate. In the notice the commissioner shall specify the reasons for disapproval and state that a hearing will be granted within 20 days after request in writing by the ~~insurer~~ health carrier.

The 60-day period within which the commissioner is to approve or disapprove the form or rate does not begin to run until a complete filing of all data and materials required by statute or requested by the commissioner has been submitted.

However, if the supporting data is not filed within 30 days after a request by the commissioner, the rate is not effective and is presumed to be an excessive rate.

Sec. 5. Minnesota Statutes 1990, section 62A.02, is amended by adding a subdivision to read:

Subd. 4a. [WITHDRAWAL OF APPROVAL.] The commissioner may, at any time after a 20-day written notice has been given to the insurer, withdraw approval of any form or rate that has previously been approved on any of the grounds stated in this section. It is unlawful for the health carrier to issue a form or rate or use it in connection with any health plan after the effective date of the withdrawal of approval. The notice of withdrawal of approval must advise the health carrier of the right to a hearing under the contested case procedures of chapter 14, and must specify the matters to be considered at the hearing.

The commissioner may request an health carrier to provide actuarial reasons and data, as well as other information, needed to determine if a previously approved rate continues to satisfy the requirements of this section. If the requested information is not provided within 30 days after request by the commissioner, the rate is presumed to be an excessive rate.

Sec. 6. Minnesota Statutes 1990, section 62A.02, is amended by adding a subdivision to read:

Subd. 5a. [HEARING.] The health carrier must request a hearing before the 20-day notice period has ended, or the commissioner's order is final. A request for hearing stays the commissioner's order until the commissioner notifies the health carrier of the result of the hearing. The commissioner's order may require the modification of any rate or form and may require continued coverage to persons covered under a health plan to which the disapproved form or rate applies.

Sec. 7. Minnesota Statutes 1990, section 62A.02, is amended by adding a subdivision to read:

Subd. 7. [RATES OPEN TO INSPECTION.] All rates and supplementary rate information furnished to the commissioner under this chapter shall, as soon as the rates are approved, be open to public inspection at any reasonable time.

Sec. 8. [62A.021] [HEALTH CARE POLICY RATES.]

Subdivision 1. [LOSS RATIO STANDARDS.] Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, a health care policy form or certificate form shall not be delivered or issued for delivery to an individual or to a small employer as defined in section 62L.02, unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to Minnesota policyholders and certificate holders in the form of aggregate benefits not including anticipated refunds or credits, provided under the policy form or certificate form, (1) at least 75 percent of the aggregate amount of premiums earned in the case of policies issued in the small employer market, as defined in section 62L.02, subdivision 27; and (2) at least 65 percent of the aggregate amount of premiums earned in the case of policies issued in the individual market, calculated on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and according to accepted actuarial principles and practices. A health carrier shall demonstrate that the third year loss ratio is greater than or equal to the applicable percentage. The applicable percentage for policy forms and certificate forms issued in the small employer market, as defined in section 62L.02, increases by one percentage point on July 1 of each year, until an 80 percent loss ratio is reached on July 1, 1998. The applicable percentage for policy forms and certificate forms issued in the individual market increases by one percentage point on July 1 of each year, until a 70 percent loss ratio is reached on July 1, 1998. Premiums earned and claims incurred in markets other than the small employer and individual markets are not relevant for purposes of this section.

All filings of rates and rating schedules shall demonstrate that actual expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards, and aggregate loss ratio from inception of the policy form or certificate form shall equal or exceed the appropriate loss ratio standards.

A health carrier that issues health care policies and certificates to individuals or to small employers, as defined in section 62L.02, in this state shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy form or certificate form duration for approval by the commissioner according to the filing requirements and procedures prescribed by the commissioner. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policy forms or certificate forms in force less than three years. If the data submitted does not confirm that the health carrier has satisfied the loss ratio requirements of this section, the commissioner shall notify the health carrier in writing of the deficiency. The health carrier shall have 30 days from the date of the commissioner's notice to file amended rates that comply with this section. If the health carrier fails to file amended rates within the prescribed time, the commissioner shall order that the health carrier's filed rates for the nonconforming policy form or certificate form be reduced to an amount that would have resulted in a loss ratio that complied with this section had it been in effect for the reporting period of the supplement. The health carrier's failure to file amended rates within the specified time or the issuance of the commissioner's order amending the rates does not preclude the health carrier from filing an amendment of its rates at a later time. The commissioner shall annually make the submitted data available to the public at a cost not to exceed the cost of copying. The data must be compiled in a form useful for consumers who wish to compare premium charges and loss ratios.

Each sale of a policy or certificate that does not comply with the loss ratio requirements of this section is an unfair or deceptive act or practice in the business of insurance and is subject to the penalties in sections 72A.17 to 72A.32.

For purposes of this section, health care policies issued as a result of solicitations of individuals through the mail or mass media

advertising, including both print and broadcast advertising, shall be treated as individual policies.

For purposes of this section, (1) "health care policy" or "health care certificate" is a health plan as defined in section 62A.011; and (2) "health carrier" has the meaning given in section 62A.011 and includes all health carriers delivering or issuing for delivery health care policies or certificates in this state or offering these policies or certificates to residents of this state.

Subd. 2. [COMPLIANCE AUDIT.] The commissioner has the authority to audit any health carrier to assure compliance with this section. Health carriers shall retain at their principal place of business information necessary for the commissioner to perform compliance audits.

Sec. 9. [62A.022] [UNIFORM CLAIMS FORMS AND BILLING PRACTICES.]

By January 1, 1993, the commissioner of commerce, in consultation with the commissioners of health and human services, shall establish and require uniform claims forms and uniform billing and record keeping practices applicable to all policies of accident and health insurance, group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, health maintenance contracts regulated under chapter 62D, and health benefit certificates offered through a fraternal benefit society regulated under chapter 64B, if issued or renewed to provide coverage to Minnesota residents.

Sec. 10. [62A.302] [COVERAGE OF DEPENDENTS.]

Subdivision 1. [SCOPE OF COVERAGE.] This section applies to all health plans as defined in section 62A.011.

Subd. 2. [REQUIRED COVERAGE.] Every health plan included in subdivision 1 that provides dependent coverage must define "dependent" no more restrictively than the definition provided in section 62L.02.

Sec. 11. [62A.303] [PROHIBITION; SEVERING OF GROUPS.]

Section 62L.12, subdivisions 1, 2, 3, and 4, apply to all employer group health plans, as defined in section 62A.011, regardless of the size of the group.

Sec. 12. Minnesota Statutes 1991 Supplement, section 62A.31, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or

group policy, certificate, subscriber contract issued by a health service plan corporation regulated under chapter 62C, or other evidence of accident and health insurance the effect or purpose of which is to supplement Medicare coverage issued or delivered in this state or offered to a resident of this state shall be sold or issued to an individual covered by Medicare unless the following requirements are met:

(a) The policy must provide a minimum of the coverage set out in subdivision 2;

(b) The policy must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage;

(c) The policy must contain a provision that the plan will not be canceled or nonrenewed on the grounds of the deterioration of health of the insured;

(d) Before the policy is sold or issued, an offer of both categories of Medicare supplement insurance has been made to the individual, together with an explanation of both coverages;

(e) An outline of coverage as provided in section 62A.39 must be delivered at the time of application and prior to payment of any premium;

(f)(1) The policy must provide that benefits and premiums under the policy shall be suspended at the request of the policyholder for the period, not to exceed 24 months, in which the policyholder has applied for and is determined to be entitled to medical assistance under title XIX of the Social Security Act, but only if the policyholder notifies the issuer of the policy within 90 days after the date the individual becomes entitled to this assistance;

(2) If suspension occurs and if the policyholder or certificate holder loses entitlement to this medical assistance, the policy shall be automatically reinstated, effective as of the date of termination of this entitlement, if the policyholder provides notice of loss of the entitlement within 90 days after the date of the loss;

(3) The policy must provide that upon reinstatement (i) there is no additional waiting period with respect to treatment of preexisting conditions, (ii) coverage is provided which is substantially equivalent to coverage in effect before the date of the suspension, and (iii) premiums are classified on terms that are at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had coverage not been suspended;

(g) The written statement required by an application for Medicare supplement insurance pursuant to section 62A.43, subdivision 1, shall be made on a form, approved by the commissioner, that states that counseling services may be available in the state to provide advice concerning the purchase of Medicare supplement policies and enrollment under the Medicaid program;

(h) No issuer of Medicare supplement policies, including policies that supplement Medicare issued by health maintenance organizations or those policies governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., in this state may impose preexisting condition limitations or otherwise deny or condition the issuance or effectiveness of any Medicare supplement insurance policy form available for sale in this state, nor may it discriminate in the pricing of such a policy, because of the health status, claims experience, receipt of health care, or medical condition of an applicant where an application for such insurance is submitted during the six-month period beginning with the first month in which an individual first enrolled for benefits under Medicare Part B;

(i) If a Medicare supplement policy replaces another Medicare supplement policy, the issuer of the replacing policy shall waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods in the new Medicare supplement policy for similar benefits to the extent the time was spent under the original policy;

(j) The policy has been filed with and approved by the department as meeting all the requirements of sections 62A.31 to 62A.44; and

(k) The policy guarantees renewability.

Only the following standards for renewability may be used in Medicare supplement insurance policy forms.

No issuer of Medicare supplement insurance policies may cancel or nonrenew a Medicare supplement policy or certificate for any reason other than nonpayment of premium or material misrepresentation.

If a group Medicare supplement insurance policy is terminated by the group policyholder and is not replaced as provided in this clause, the issuer shall offer certificate holders an individual Medicare supplement policy which, at the option of the certificate holder, provides for continuation of the benefits contained in the group policy; or provides for such benefits and benefit packages as otherwise meet the requirements of this clause.

If an individual is a certificate holder in a group Medicare

supplement insurance policy and the individual terminates membership in the group, the issuer of the policy shall offer the certificate holder the conversion opportunities described in this clause; or offer the certificate holder continuation of coverage under the group policy.

(l) Each health maintenance organization, health service plan corporation, insurer, or fraternal benefit society that sells coverage that supplements Medicare coverage shall establish a separate community rate for that coverage. Beginning January 1, 1993, no coverage that supplements Medicare or that is governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., may be offered, issued, sold, or renewed to a Minnesota resident, except at the community rate required by this paragraph.

For coverage that supplements Medicare and for the Part A rate calculation for plans governed by section 1833 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., the community rate may take into account only the following factors:

(1) actuarially valid differences in benefit designs or provider networks;

(2) geographic variations in rates if preapproved by the commissioner of commerce; and

(3) premium reductions in recognition of healthy lifestyle behaviors, including but not limited to, refraining from the use of tobacco. Premium reductions must be actuarially valid and must relate only to those healthy lifestyle behaviors that have a proven positive impact on health. Factors used by the health carrier making this premium reduction must be filed with and approved by the commissioner of commerce.

Sec. 13. [62A.65] [INDIVIDUAL MARKET REGULATION.]

Subdivision 1. [APPLICABILITY.] No health carrier, as defined in chapter 62L, shall offer, sell, issue, or renew any individual policy of accident and sickness coverage, as defined in section 62A.01, subdivision 1, any individual subscriber contract regulated under chapter 62C, any individual health maintenance contract regulated under chapter 62D, any individual health benefit certificate regulated under chapter 64B, or any individual health coverage provided by a multiple employer welfare arrangement, to a Minnesota resident except in compliance with this section. For purposes of this section, "health benefit plan" has the meaning given in chapter 62L, except that the term means individual coverage, including family coverage, rather than employer group coverage. This section does not apply to the comprehensive health association established in section 62E.10 or to coverage described in section 62A.31, subdivision 1, paragraph

(h), or to long-term care policies as defined in section 62A.46, subdivision 2.

Subd. 2. [GUARANTEED RENEWAL.] No health benefit plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health benefit plan provides that the plan is guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health benefit plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health benefit plan may be subject to refusal to renew only under the conditions provided in chapter 62L.

Subd. 3. [PREMIUM RATE RESTRICTIONS.] No health benefit plan may be offered, sold, issued, or renewed to a Minnesota resident unless the premium rate charged is determined in accordance with the rating and premium restrictions provided under chapter 62L, except the minimum loss ratio applicable to individual coverage is as provided in section 62A.021. All provisions of chapter 62L apply to rating and premium restrictions in the individual market, unless clearly inapplicable to the individual market.

Subd. 4. [GENDER RATING PROHIBITED.] No health benefit plan offered, sold, issued, or renewed to a Minnesota resident may determine the premium rate or any other underwriting decision, including initial issuance, on the gender of any person covered or to be covered under the health benefit plan.

Subd. 5. [PORTABILITY OF COVERAGE.] (a) No health benefit plan may be offered, sold, issued, or renewed to a Minnesota resident that contains a preexisting condition limitation or exclusion, unless the limitation or exclusion would be permitted under chapter 62L. The individual may be treated as a late entrant, as defined in chapter 62L, unless the individual has maintained continuous coverage as defined in chapter 62L. An individual who has maintained continuous coverage may be subjected to a one-time preexisting condition limitation as permitted under chapter 62L for persons who are not late entrants, at the time that the individual first is covered by individual coverage. Thereafter, the person must not be subject to any preexisting condition limitation, except an unexpired portion of a limitation under prior coverage, so long as the individual maintains continuous coverage.

(b) A health carrier must offer individual coverage to any individual previously covered under a group health benefit plan issued by that health carrier, so long as the individual maintained continuous coverage as defined in chapter 62L. Coverage issued under this paragraph must not contain any preexisting condition limitation or exclusion, except for any unexpired limitation or exclusion under the previous coverage. The initial premium rate for the individual

coverage must comply with subdivision 3. The premium rate upon renewal must comply with subdivision 2.

Subd. 6. [GUARANTEED ISSUE NOT REQUIRED.] Nothing in this section requires a health carrier to initially issue a health benefit plan to a Minnesota resident, except as otherwise expressly provided in subdivision 4 or 5.

Sec. 14. Minnesota Statutes 1990, section 62E.02, subdivision 23, is amended to read:

Subd. 23. "Contributing member" means those companies ~~operating pursuant to~~ regulated under chapter 62A and offering, selling, issuing, or renewing policies or contracts of accident and health insurance ~~or~~, health maintenance organizations ~~and~~ regulated under chapter 62D, nonprofit health service plan corporations ~~incorporated~~ regulated under chapter 62C ~~or~~, fraternal benefit ~~society operating~~ societies regulated under chapter 64B, and joint self-insurance plans regulated under chapter 62H. For the purposes of determining liability of contributing members pursuant to section 62E.11 payments received from or on behalf of Minnesota residents for coverage by a health maintenance organization shall be considered to be accident and health insurance premiums.

Sec. 15. Minnesota Statutes 1990, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. [CREATION; TAX EXEMPTION.] There is established a comprehensive health association to promote the public health and welfare of the state of Minnesota with membership consisting of all insurers, self-insurers, fraternals, joint self-insurance plans regulated under chapter 62H, and health maintenance organizations licensed or authorized to do business in this state. The comprehensive health association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation.

Sec. 16. Minnesota Statutes 1990, section 62E.11, subdivision 9, is amended to read:

Subd. 9. Each contributing member that terminates individual health coverage ~~regulated under chapter 62A, 62C, 62D, or 64B~~ for reasons other than (a) nonpayment of premium; (b) failure to make copayments; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and does not provide or arrange for replacement coverage that meets the requirements of section 62D.121; shall pay a special assessment to the state plan based upon the number of terminated individuals who join the comprehensive health insurance plan as authorized under section 62E.14, subdivisions 1, paragraph (d), and 6. Such a contributing member shall pay

the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees multiplied by the total number of terminated enrollees who enroll in the state plan.

The average cost of an enrollee in the state comprehensive health insurance plan shall be determined by dividing the state plan's total annual losses by the total number of enrollees from that year. This cost will be assessed to the contributing member who has terminated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

In the event that the contributing member is terminating health coverage because of a loss of health care providers, the commissioner may review whether or not the special assessment established under this subdivision will have an adverse impact on the contributing member or its enrollees or insureds, including but not limited to causing the contributing member to fall below statutory net worth requirements. If the commissioner determines that the special assessment would have an adverse impact on the contributing member or its enrollees or insureds, the commissioner may adjust the amount of the special assessment, or establish alternative payment arrangements to the state plan. For health maintenance organizations regulated under chapter 62D, the commissioner of health shall make the determination regarding any adjustment in the special assessment and shall transmit that determination to the commissioner of commerce.

Sec. 17. Minnesota Statutes 1990, section 62E.11, is amended by adding a subdivision to read:

Subd. 12. [FUNDING.] Notwithstanding subdivision 5, the claims expenses and operating and administrative expenses of the association incurred on or after January 1, 1994 shall be paid from the health care access account established in section 16A.724, to the extent appropriated for that purpose by the legislature. Any such expenses not paid from that account shall be paid as otherwise provided in this section. All contributing members shall adjust their premium rates to fully reflect funding provided under this subdivision. The commissioner of commerce shall require contributing members to prove compliance with this rate adjustment requirement.

Sec. 18. [62E.141] [INCLUSION IN EMPLOYER-SPONSORED PLAN.]

No employee, or dependent of an employee, of an employer who offers a health benefit plan, under which the employee or dependent is eligible to enroll under chapter 62L, is eligible to enroll, or continue to be enrolled, in the comprehensive health association,

except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation or exclusion under the employer's health benefit plan. This section does not apply to persons enrolled in the comprehensive health association as of June 30, 1993.

Sec. 19. Minnesota Statutes 1990, section 62H.01, is amended to read:

62H.01 [JOINT SELF-INSURANCE EMPLOYEE HEALTH PLAN.]

Any ~~three~~ two or more employers, excluding the state and its political subdivisions as described in section 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure employee health, dental, or short-term disability benefits. Joint plans must have a minimum of ~~250~~ 100 covered employees and meet all conditions and terms of sections 62H.01 to 62H.08. Joint plans covering employers not resident in Minnesota must meet the requirements of sections 62H.01 to 62H.08 as if the portion of the plan covering Minnesota resident employees was treated as a separate plan. A plan may cover employees resident in other states only if the plan complies with the applicable laws of that state.

A multiple employer welfare arrangement as defined in United States Code, title 29, section 1002(40)(a), is subject to this chapter to the extent authorized by the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq.

Sec. 20. [REQUEST FOR ERISA EXEMPTION.]

The commissioner of commerce shall request and diligently pursue an exemption from the federal preemption of state laws relating to health coverage provided under employee welfare benefit plans under the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1144. The scope of the exemption should permit the state to:

(1) require that employers participate in a state payroll withholding system designed to pay for health coverage for employees and dependents;

(2) regulate self-insured health plans to the same extent as insurance companies; and

(3) enact or adopt other state laws relating to health coverage that would, in the judgment of the commissioner of commerce, further the public policies of this state.

In determining the scope of the exemption request and in request-

ing and pursuing the exemption, the commissioner of commerce shall seek the advice and assistance of the legislative commission on health care access. The commissioner shall report in writing to that commission at least quarterly regarding the status of the exemption request.

Sec. 21. [COMMISSIONER OF COMMERCE STUDY.]

The commissioner of commerce shall study the operation of the individual market and shall file a report and recommendations with the legislature, no later than December 15, 1992. The study, report, and recommendations must:

(1) evaluate the extent to which the individual market and the state's regulation of it can achieve the goals provided in Minnesota Statutes, section 62L.01, subdivision 3;

(2) evaluate the need for and feasibility of a guaranteed issue requirement in the individual market;

(3) make recommendations regarding the future of the comprehensive health association.

Sec. 22. [STUDY OF HEALTHY LIFESTYLE PREMIUM REDUCTIONS.]

The commissioner of commerce shall study and make recommendations to the legislature regarding whether health benefits plans, as defined in section 62L.02, but including both individual and group plans, should be permitted or required to offer premium discounts in recognition of and to encourage healthy lifestyle behaviors. The commissioner shall file the recommendations with the legislature on or before December 15, 1992. The commissioner shall make recommendations regarding:

(1) the types of lifestyle behaviors, including but not limited to, nonuse of tobacco, nonuse of alcohol, and regular exercise appropriate to the person's age and health status, that should be eligible for premium discounts;

(2) the level or amounts of premium discounts that should be permitted or required, including appropriateness of premium discounts of up to 25 percent of the premium;

(3) the actuarial justification that the commissioner should require for premium reductions;

(4) the extent to which health carriers can monitor compliance with promised lifestyle behaviors and whether new legislation could increase the monitoring ability or reduce its cost; and

(5) any favorable or adverse impacts on the individual or small group market. Any data on individuals collected under this section and received by the commissioner, which has not previously been public data, is private data on individuals.

This section shall not be interpreted as prohibiting any premium discounts approved under current law by the commissioner of commerce or by the commissioner of health or permitted under this act.

Sec. 23. [REPEALER.]

Minnesota Statutes 1990, sections 62A.02, subdivisions 4 and 5; 62E.51; 62E.52; 62E.53; 62E.54; and 62E.55, are repealed.

Sec. 24. [EFFECTIVE DATE.]

Section 12 is effective July 30, 1992. Sections 1 to 8, 10, 11, 13, 18 and 23 are effective July 1, 1993. Sections 20, 21, and 22 are effective the day following final enactment.

ARTICLE 4

RURAL HEALTH INITIATIVES

Section 1. Minnesota Statutes 1990, section 16A.124, is amended by adding a subdivision to read:

Subd. 4a. [INVOICE ERRORS; DEPARTMENT OF HUMAN SERVICES.] For purposes of department of human services payments to hospitals receiving reimbursement under the medical assistance and general assistance medical care programs, if an invoice is incorrect, defective, or otherwise improper, the department of human services must notify the hospital of all errors, within 30 days of discovery of the errors.

Sec. 2. Minnesota Statutes 1990, section 43A.17, subdivision 9, is amended to read:

Subd. 9. [POLITICAL SUBDIVISION SALARY LIMIT.] The salary of a person employed by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, or employed under section 422A.03, may not exceed 95 percent of the salary of the governor as set under section 15A.082, except as provided in this subdivision. Deferred compensation and payroll allocations to purchase an individual annuity contract for an employee are included in determining the employee's salary. The salary of a medical doctor or doctor of osteopathy occupying a position that the governing body of the political subdivision has determined requires an M.D. or D.O.

degree is excluded from the limitation in this subdivision. The commissioner may increase the limitation in this subdivision for a position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state. The commissioner may not increase the limitation until the commissioner has presented the proposed increase to the legislative commission on employee relations and received the commission's recommendation on it. The recommendation is advisory only. If the commission does not give its recommendation on a proposed increase within 30 days from its receipt of the proposal, the commission is deemed to have recommended approval.

Sec. 3. [144.1481] [RURAL HEALTH ADVISORY COMMITTEE.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] The commissioner of health shall establish a 15-member rural health advisory committee. The committee shall consist of the following members, all of whom must reside outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2:

(1) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) a volunteer member of an ambulance service based outside the seven-county metropolitan area;

(4) a representative of a hospital located outside the seven-county metropolitan area;

(5) a representative of a nursing home located outside the seven-county metropolitan area;

(6) a medical doctor or doctor of osteopathy licensed under chapter 147;

(7) a midlevel practitioner;

(8) a registered nurse or licensed practical nurse;

(9) a licensed health care professional from an occupation not otherwise represented on the committee;

(10) a representative of an institution of higher education located outside the seven-county metropolitan area that provides training for rural health care providers; and

(11) three consumers, at least one of whom must be an advocate for persons who are mentally ill or developmentally disabled.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The terms, compensation, and removal of members are governed by section 15.059.

Subd. 2. [DUTIES.] The advisory committee shall:

(1) advise the commissioner and other state agencies on rural health issues;

(2) provide a systematic and cohesive approach toward rural health issues and rural health care planning, at both a local and statewide level;

(3) develop and evaluate mechanisms to encourage greater cooperation among rural communities and among providers;

(4) recommend and evaluate approaches to rural health issues that are sensitive to the needs of local communities; and

(5) develop methods for identifying individuals who are underserved by the rural health care system.

Subd. 3. [STAFFING; OFFICE SPACE; EQUIPMENT.] The commissioner shall provide the advisory committee with staff support, office space, and access to office equipment and services.

Sec. 4. [144.1482] [OFFICE OF RURAL HEALTH.]

Subdivision 1. [DUTIES.] The office of rural health in conjunction with the University of Minnesota medical schools and other organizations in the state which are addressing rural health care problems shall:

(1) establish and maintain a clearinghouse for collecting and disseminating information on rural health care issues, research findings, and innovative approaches to the delivery of rural health care;

(2) coordinate the activities relating to rural health care that are carried out by the state to avoid duplication of effort;

(3) identify federal and state rural health programs and provide technical assistance to public and nonprofit entities, including community and migrant health centers, to assist them in participating in these programs;

(4) assist rural communities in improving the delivery and quality of health care in rural areas and in recruiting and retaining health professionals; and

(5) carry out the duties assigned in section 144.1483.

Subd. 2. [CONTRACTS.] To carry out these duties, the office may contract with or provide grants to public and private, nonprofit entities.

Sec. 5. [144.1483] [RURAL HEALTH INITIATIVES.]

The commissioner of health, through the office of rural health, and consulting as necessary with the commissioner of human services, the commissioner of commerce, the higher education coordinating board, and other state agencies, shall:

(1) develop a detailed plan regarding the feasibility of coordinating rural health care services by organizing individual medical providers and smaller hospitals and clinics into referral networks with larger rural hospitals and clinics that provide a broader array of services;

(2) develop and implement a program to assist rural communities in establishing community health centers, as required by section 144.1486;

(3) administer the program of financial assistance established under section 144.1484 for rural hospitals in isolated areas of the state that are in danger of closing without financial assistance, and that have exhausted local sources of support;

(4) develop recommendations regarding health education and training programs in rural areas, including but not limited to a physician assistants' training program, continuing education programs for rural health care providers, and rural outreach programs for nurse practitioners within existing training programs;

(5) develop a statewide, coordinated recruitment strategy for health care personnel and maintain a data base on health care personnel as required under section 144.1485;

(6) develop and administer technical assistance programs to assist rural communities in: (i) planning and coordinating the delivery of local health care services; and (ii) hiring physicians, nurse practitioners, public health nurses, physician assistants, and other health personnel;

(7) study and recommend changes in the regulation of health care personnel, such as nurse practitioners and physician assistants, related to scope of practice, the amount of on-site physician supervision, and dispensing of medication, to address rural health personnel shortages;

(8) support efforts to ensure continued funding for medical and nursing education programs that will increase the number of health professionals serving in rural areas;

(9) support efforts to secure higher reimbursement for rural health care providers from the Medicare and medical assistance programs;

(10) coordinate the development of a statewide plan for emergency medical services, in cooperation with the emergency medical services advisory council; and

(11) carry out other activities necessary to address rural health problems.

Sec. 6. [144.1484] [RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

The commissioner of health shall award financial assistance grants to rural hospitals in isolated areas of the state. To qualify for a grant, a hospital must: (1) be eligible to be classified as a sole community hospital according to the criteria in Code of Federal Regulations, title 42, section 412.92; (2) have experienced net income losses in the two most recent consecutive hospital fiscal years for which audited financial information is available; (3) consist of 20 or fewer licensed beds; and (4) have exhausted local sources of support. Before applying for a grant, the hospital must have developed a strategic plan. The commissioner shall award grants in equal amounts.

Sec. 7. [144.1485] [DATA BASE ON HEALTH PERSONNEL.]

The commissioner of health shall develop and maintain a data base on health services personnel. The commissioner shall use this information to assist local communities and units of state government to develop plans for the recruitment and retention of health personnel. Information collected in the data base must include, but is not limited to, data on levels of educational preparation, specialty, and place of employment. The commissioner may collect information

through the registration and licensure systems of the state health licensing boards.

Sec. 8. [144.1486] [RURAL COMMUNITY HEALTH CENTERS.]

The commissioner of health shall develop and implement a program to establish community health centers in rural areas of Minnesota that are underserved by health care providers. The program shall provide rural communities and community organizations with technical assistance, capital grants for start-up costs, and short-term assistance with operating costs. The technical assistance component of the program must provide assistance in review of practice management, market analysis, practice feasibility analysis, medical records system analysis, and scheduling and patient flow analysis. The program must: (1) include a local match requirement for state dollars received; (2) require local communities, through nonprofit boards comprised of local residents, to operate and own their community's health care program; (3) encourage the use of midlevel practitioners; and (4) incorporate a quality assurance strategy that provides regular evaluation of clinical performance and allows peer review comparisons for rural practices. The commissioner shall report to the legislature on implementation of the program by February 15, 1994.

Sec. 9. Minnesota Statutes 1990, section 144.581, subdivision 1, is amended to read:

Subdivision 1. [NONPROFIT CORPORATION POWERS.] A municipality, political subdivision, state agency, or other governmental entity that owns or operates a hospital authorized, organized, or operated under chapters 158, 250, 376, and 397, or under sections 246A.01 to 246A.27, 412.221, 447.05 to 447.13, 447.31, or 471.59, or under any special law authorizing or establishing a hospital or hospital district shall, relative to the delivery of health care services, have, in addition to any authority vested by law, the authority and legal capacity of a nonprofit corporation under chapter 317A, including authority to

(a) enter shared service and other cooperative ventures,

(b) join or sponsor membership in organizations intended to benefit the hospital or hospitals in general,

(c) enter partnerships,

(d) incorporate other corporations,

(e) have members of its governing authority or its officers or administrators serve as directors, officers, or employees of the ventures, associations, or corporations,

(f) own shares of stock in business corporations,

(g) offer, directly or indirectly, products and services of the hospital, organization, association, partnership, or corporation to the general public, and

(h) ~~provide funds for payment of educational expenses of up to $20,000 per individual, if the hospital or hospital district has at least $1,000,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district, and~~

~~(i) provide funds of up to $50,000 per year per individual for a maximum of two years to supplement the incomes of family practice physicians, up to a maximum of $100,000 in annual income, if the hospital or hospital district has at least $250,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district~~ expend funds, including public funds in any form, or devote the resources of the hospital or hospital district to recruit or retain physicians whose services are necessary or desirable for meeting the health care needs of the population, and for successful performance of the hospital or hospital district's public purpose of the promotion of health. Allowable uses of funds and resources include the retirement of medical education debt, payment of one-time amounts in consideration of services rendered or to be rendered, payment of recruitment expenses, payment of moving expenses, and the provision of other financial assistance necessary for the recruitment and retention of physicians, provided that the expenditures in whatever form are reasonable under the facts and circumstances of the situation.

Sec. 10. Minnesota Statutes 1990, section 447.31, subdivision 1, is amended to read:

Subdivision 1. [RESOLUTIONS.] Any ~~four~~ two or more cities and towns, however organized, except cities of the first class, may create a hospital district. They must do so by resolutions adopted by their respective governing bodies or electors. A hospital district may be reorganized according to sections 447.31 to 447.37. Reorganization must be by resolutions adopted by the district's hospital board and the governing body or voters of each city and town in the district.

Sec. 11. Minnesota Statutes 1990, section 447.31, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF RESOLUTION.] A resolution under subdivision 1 must state that a hospital district is authorized to be created under sections 447.31 to 447.37, or that an existing hospital district is authorized to be reorganized under sections 447.31 to

447.37, in order to acquire, improve, and run hospital and nursing home facilities that the hospital board decides are necessary and expedient in accordance with sections 447.31 to 447.37. The resolution must name the ~~four~~ two or more cities or towns included in the district. The resolution must be adopted by a two-thirds majority of the members-elect of the governing body or board acting on it, or by the voters of the city or town as provided in this section.

Each resolution adopted by the governing body of a city or town must be published in its official newspaper and takes effect 40 days after publication, unless a petition for referendum on the resolution is filed with the governing body within 40 days. A petition for referendum must be signed by at least five percent of the number of voters voting at the last election of officers. If a petition is filed, the resolution does not take effect until approved by a majority of voters voting on it at a regular municipal election or a special election which the governing body may call for that purpose.

The resolution may also be initiated by petition filed with the governing body of the city or town, signed by at least ten percent of the number of voters voting at the last general election. A petition must present the text of the proposed resolution and request an election on it. If the petition is filed, the governing body shall call a special election for the purpose, to be held within 30 days after the filing of the petition, or may submit the resolution to a vote at a regular municipal election that is to be held within the 30-day period. The resolution takes effect if approved by a majority of voters voting on it at the election. Only one election shall be held within any given 12-month period upon resolutions initiated by petition. The notice of the election and the ballot used must contain the text of the resolution, followed by the question: "Shall the above resolution be approved?"

Sec. 12. [SPECIAL STUDIES.]

(a) The commissioner of health, through the office of rural health, shall:

(1) investigate the adequacy of access to perinatal services in rural Minnesota and report findings and recommendations to the legislature by January 15, 1994; and

(2) study the impact of current reimbursement provisions for midlevel practitioners on the use of midlevel practitioners in rural practice settings, examining reimbursement provisions in state programs, federal programs, and private sector health plans, and report findings and recommendations to the legislature by January 1, 1993.

(b) The commissioner of administration, through the statewide telecommunications access routing program and its advisory coun-

cil, and in cooperation with the commissioner of health and the rural health advisory committee, shall investigate and develop recommendations regarding the use of advanced telecommunications technologies to improve rural health education and health care delivery. The commissioner of administration shall report findings and recommendations to the legislature by January 15, 1994.

Sec. 13. [REPORT ON RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

The commissioner of health shall examine the eligibility criteria for rural hospital financial assistance grants under Minnesota Statutes, section 144.1484, and report to the legislature by February 1, 1993, on any needed modifications.

Sec. 14. [EFFECTIVE DATE.]

Section 1 relating to invoice errors is effective for the department of human services July 1, 1993, or on the implementation date of the upgrade to the Medicaid management information system, whichever is later.

Section 3 creating the rural health advisory committee is effective January 1, 1993.

ARTICLE 5

HEALTH PROFESSIONAL EDUCATION

Section 1. Minnesota Statutes 1990, section 136A.1355, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the program, a prospective physician must submit a letter of interest to the higher education coordinating board ~~while attending medical school. Before completing the first year of residency,~~. A student or resident who is accepted must sign a contract to agree to serve at least three of the first five years following residency in a designated rural area.

Sec. 2. Minnesota Statutes 1990, section 136A.1355, subdivision 3, is amended to read:

Subd. 3. [LOAN FORGIVENESS.] Prior to June 30, 1992, the higher education coordinating board may accept up to eight applicants who are fourth year medical students, up to eight applicants who are first year residents, and up to eight applicants who are second year residents for participation in the loan forgiveness program. For the period July 1, 1992 through June 30, 1995, the higher education coordinating board may accept up to eight appli-

cants who are fourth year medical students per fiscal year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed $10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans ~~and the interest accrued on these loans~~. Participants who move their practice from one designated rural area to another remain eligible for loan repayment. In addition, if a resident participating in the loan forgiveness program serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of rural practice commitments to enable the rural physician to take a vacation, engage in activities outside the practice area, or otherwise be relieved of rural practice commitments, the participating resident may designate up to an additional $2,000, above the $10,000 maximum, for each year of residency during which the resident substitutes for a rural physician for four or more weeks.

Sec. 3. [136A.1356] [MIDLEVEL PRACTITIONER EDUCATION ACCOUNT.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Designated rural area" has the definition developed in rule by the higher education coordinating board.

(b) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

(c) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse-midwives.

(d) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse practitioners.

(e) "Physician assistant" means a person meeting the definition in Minnesota Rules, part 5600.2600, subpart 11.

Subd. 2. [CREATION OF ACCOUNT.] A midlevel practitioner education account is established. The higher education coordinating board shall use money from the account to establish a loan forgive-

ness program for midlevel practitioners agreeing to practice in designated rural areas.

Subd. 3. [ELIGIBILITY.] To be eligible to participate in the program, a prospective midlevel practitioner must submit a letter of interest to the higher education coordinating board prior to or while attending a program of study designed to prepare the individual for service as a midlevel practitioner. Before completing the first year of this program, a midlevel practitioner must sign a contract to agree to serve at least two of the first four years following graduation from the program in a designated rural area.

Subd. 4. [LOAN FORGIVENESS.] The higher education coordinating board may accept up to eight applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of midlevel practitioner study, up to a maximum of two years, an agreed amount, not to exceed $7,000, as a qualified loan. For each year that a participant serves as a midlevel practitioner in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually repay an amount equal to one-half a qualified loan. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Subd. 5. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 4 for full repayment of all qualified loans, the higher education coordinating board shall collect from the participant 100 percent of any payments made for qualified loans and interest at a rate established according to section 270.75. The higher education coordinating board shall deposit the money collected in the midlevel practitioner education account. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the required service commitment.

Sec. 4. [137.38] [EDUCATION AND TRAINING OF PRIMARY CARE PHYSICIANS.]

Subdivision 1. [CONDITION.] If the board of regents accepts the funding appropriated for sections 137.38 to 137.40, it shall comply with the duties for which the appropriations are made.

Subd. 2. [PRIMARY CARE.] For purposes of sections 137.38 to 137.40, "primary care" means a type of medical care delivery that assumes ongoing responsibility for the patient in both health maintenance and illness treatment. It is personal care involving a unique interaction and communication between the patient and the physician. It is comprehensive in scope, and includes all the overall coordination of the care of the patient's health care problems including biological, behavioral, and social problems. The appropri-

ate use of consultants and community resources is an important aspect of effective primary care.

Subd. 3. [GOALS.] The regents of the University of Minnesota, through the University of Minnesota medical school, shall implement the initiatives required by sections 137.38 to 137.40 in order to increase the number of graduates of residency programs of the medical school who practice primary care by 20 percent over an eight-year period. The initiatives must be designed to encourage newly graduated primary care physicians to establish practices in areas of rural Minnesota that are medically underserved.

Subd. 4. [GRANTS.] The board of regents shall seek grants from private foundations and other nonstate sources for the initiatives outlined in sections 137.38 to 137.40.

Subd. 5. [REPORTS.] The board of regents shall report annually to the legislature on progress made in implementing sections 137.38 to 137.40, beginning January 15, 1993, and each succeeding January 15.

Sec. 5. [137.39] [MEDICAL SCHOOL INITIATIVES.]

Subdivision 1. [MODIFIED SCHOOL INITIATIVES.] The University of Minnesota medical school shall study the demographic characteristics of students that are associated with a primary care career choice. The medical school is requested to modify the selection process for medical students based on the results of this study, in order to increase the number of medical school graduates choosing careers in primary care.

Subd. 2. [DESIGN OF CURRICULUM.] The medical school shall ensure that its curriculum provides students with early exposure to primary care physicians and primary care practice. The medical school shall also support premedical school educational initiatives that provide students with greater exposure to primary care physicians and practices.

Subd. 3. [CLINICAL EXPERIENCES IN PRIMARY CARE.] The medical school, in consultation with medical school faculty at the University of Minnesota, Duluth, shall develop a program to provide students with clinical experiences in primary care settings in internal medicine and pediatrics. The program must provide training experiences in medical clinics in rural Minnesota communities, as well as in community clinics and health maintenance organizations in the Twin Cities metropolitan area.

Sec. 6. [137.40] [RESIDENCY AND OTHER INITIATIVES.]

Subdivision 1. [PRIMARY CARE AND RURAL ROTATIONS.]

The medical school shall increase the opportunities for general medicine, pediatrics, and family practice residents to serve rotations in primary care settings. These settings must include community clinics, health maintenance organizations, and practices in rural communities.

Subd. 2. [RURAL RESIDENCY TRAINING PROGRAM IN FAMILY PRACTICE.] The medical school shall establish a rural residency training program in family practice. The program shall provide an initial year of training in a metropolitan-based hospital and family practice clinic. The second and third years of the residency program shall be based in rural communities, utilizing local clinics and community hospitals, with specialty rotations in nearby regional medical centers.

Subd. 3. [CONTINUING MEDICAL EDUCATION.] The medical school shall develop continuing medical education programs for primary care physicians that are comprehensive, community-based, and accessible to primary care physicians in all areas of the state.

Sec. 7. [136A.1357] [EDUCATION ACCOUNT FOR NURSES WHO AGREE TO PRACTICE IN A NURSING HOME.]

Subdivision 1. [CREATION OF THE ACCOUNT.] An education account in the general fund is established for a loan forgiveness program for nurses who agree to practice nursing in a nursing home. The account consists of money appropriated by the legislature and repayments and penalties collected under subdivision 4. Money from the account must be used for a loan forgiveness program.

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the loan forgiveness program, a person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the board before completing the first year of study of a nursing education program. Before completing the first year of study, the applicant must sign a contract in which the applicant agrees to practice nursing for at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home.

Subd. 3. [LOAN FORGIVENESS.] The board may accept up to ten applicants a year. Applicants are responsible for securing their own loans. For each year of nursing education, for up to two years, applicants accepted into the loan forgiveness program may designate an agreed amount, not to exceed $3,000, as a qualified loan. For each year that a participant practices nursing in a nursing home, up to a maximum of two years, the board shall annually repay an amount equal to one year of qualified loans. Participants who move from one nursing home to another remain eligible for loan repayment.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 3 for full repayment of all qualified loans, the commissioner shall collect from the participant 100 percent of any payments made for qualified loans and interest at a rate established according to section 270.75. The board shall deposit the collections in the general fund to be credited to the account established in subdivision 1. The board may grant a waiver of all or part of the money owed as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the required service commitment.

Subd. 5. [RULES.] The board shall adopt rules to implement this section.

Sec. 8. [STUDY OF OBSTETRICAL ACCESS.]

The commissioner of health shall study access to obstetrical services in Minnesota and report to the legislature by January 1, 1993. The study must examine the number of physicians discontinuing obstetrical care in recent years and the effects of high malpractice costs and low government program reimbursement for obstetrical services, and must identify areas of the state where access to obstetrical services is most greatly affected. The commissioner shall recommend ways to reduce liability costs and to encourage physicians to continue to provide obstetrical services.

Sec. 9. [GRANT PROGRAM FOR MIDLEVEL PRACTITIONER TRAINING.]

The higher education coordinating board may award grants to Minnesota schools or colleges that educate, or plan to educate midlevel practitioners, in order to establish and administer midlevel practitioner training programs in areas of rural Minnesota with the greatest need for midlevel practitioners. The program must address rural health care needs, and incorporate innovative methods of bringing together faculty and students, such as the use of telecommunications, and must provide both clinical and lecture components.

Sec. 10. [GRANTS FOR CONTINUING EDUCATION.]

The higher education coordinating board shall establish a competitive grant program for schools of nursing and other providers of continuing nurse education, in order to develop continuing education programs for nurses working in rural areas of the state. The programs must complement, and not duplicate, existing continuing education activities, and must specifically address the needs of nurses working in rural practice settings. The board shall award two grants for the fiscal year ending June 30, 1993.

ARTICLE 6

DATA COLLECTION AND RESEARCH INITIATIVES

Section 1. [62J.30] [HEALTH CARE ANALYSIS UNIT.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 62J.30 to 62J.34, the following definitions apply:

(a) "Practice parameter" means a statement intended to guide the clinical decision making of health care providers and patients that is supported by the results of appropriately designed outcomes research studies, including those studies sponsored by the federal agency for health care policy and research, or has been adopted for use by a national medical society.

(b) "Outcomes research" means research designed to identify and analyze the outcomes and costs of alternative interventions for a given clinical condition, in order to determine the most appropriate and cost-effective means to prevent, diagnose, treat, or manage the condition, or in order to develop and test methods for reducing inappropriate or unnecessary variations in the type and frequency of interventions.

Subd. 2. [ESTABLISHMENT.] The commissioner of health shall establish a health care analysis unit to conduct data and research initiatives in order to improve the efficiency and effectiveness of health care in Minnesota.

Subd. 3. [GENERAL DUTIES; IMPLEMENTATION DATE.] The commissioner, through the health care analysis unit, shall:

(1) conduct applied research using existing and newly established health care data bases, and promote applications based on existing research;

(2) establish the condition-specific data base required under section 62J.31;

(3) develop and implement data collection procedures to ensure a high level of cooperation from health care providers and health carriers, as defined in section 62L.02, subdivision 16;

(4) work closely with health carriers and health care providers to promote improvements in health care efficiency and effectiveness;

(5) participate as a partner or sponsor of private sector initiatives that promote publicly disseminated applied research on health care delivery, outcomes, costs, quality, and management;

(6) provide technical assistance to health plan and health care purchasers, as required by section 62J.33;

(7) develop outcome-based practice parameters as required under section 62J.34; and

(8) provide technical assistance as needed to the health planning advisory committee and the regional coordinating boards.

Subd. 4. [CRITERIA FOR UNIT INITIATIVES.] Data and research initiatives by the health care analysis unit must:

(1) serve the needs of the general public, public sector health care programs, employers and other purchasers of health care, health care providers, including providers serving large numbers of low-income people, and health carriers;

(2) promote a significantly accelerated pace of publicly disseminated, applied research on health care delivery, outcomes, costs, quality, and management;

(3) conduct research and promote health care applications based on scientifically sound and statistically valid methods;

(4) be statewide in scope, in order to benefit health care purchasers and providers in all parts of Minnesota and to ensure a broad and representative data base for research, comparisons, and applications;

(5) emphasize data that is useful, relevant, and nonredundant of existing data. The initiatives may duplicate existing private activities, if this is necessary to ensure that the data collected will be in the public domain;

(6) be structured to minimize the administrative burden on health carriers, health care providers, and the health care delivery system, and minimize any privacy impact on individuals; and

(7) promote continuous improvement in the efficiency and effectiveness of health care delivery.

Subd. 5. [CRITERIA FOR PUBLIC SECTOR HEALTH CARE PROGRAMS.] Data and research initiatives related to public sector health care programs must:

(1) assist the state's current health care financing and delivery programs to deliver and purchase health care in a manner that promotes improvements in health care efficiency and effectiveness;

(2) assist the state in its public health activities, including the analysis of disease prevalence and trends and the development of public health responses;

(3) assist the state in developing and refining its overall health policy, including policy related to health care costs, quality, and access; and

(4) provide a data source that allows the evaluation of state health care financing and delivery programs.

Subd. 6. [DATA COLLECTION PROCEDURES.] The health care analysis unit shall collect data from health care providers, health carriers, and individuals in the most cost-effective manner, which does not unduly burden providers. The unit may require health care providers and health carriers to collect and provide patient health records, provide mailing lists of patients who have consented to release of data, and cooperate in other ways with the data collection process. For purposes of this chapter, the health care analysis unit shall assign, or require health care providers and health carriers to assign, a unique identification number to each patient to safeguard patient identity.

Subd. 7. [DATA CLASSIFICATION.] (a) Data collected through the large-scale data base initiatives of the health care analysis unit required by section 62J.31 that identify individuals are private data on individuals. Data not on individuals are nonpublic data. The commissioner may release private data on individuals and nonpublic data to researchers affiliated with university research centers or departments who are conducting research on health outcomes, practice parameters, and medical practice style; researchers working under contract with the commissioner; and individuals purchasing health care services for health carriers and groups. Prior to releasing any nonpublic or private data under this paragraph that identify or relate to a specific health carrier, medical provider, or health care facility, the commissioner shall provide at least 30 days' notice to the subject of the data, including a copy of the relevant data, and allow the subject of the data to provide a brief explanation or comment on the data which must be released with the data. To the extent reasonably possible, release of private or confidential data under this chapter shall be made without releasing data that could reveal the identity of individuals and should instead be released using the identification numbers required by subdivision 6.

(b) Summary data derived from data collected through the large-scale data base initiatives of the health care analysis unit may be provided under section 13.05, subdivision 7, and may be released in studies produced by the commissioner.

(c) The commissioner shall adopt rules to establish criteria and

procedures to govern access to and the use of data collected through the initiatives of the health care analysis unit.

Subd. 8. [DATA COLLECTION ADVISORY COMMITTEE.] The commissioner shall convene a 15-member data collection advisory committee consisting of health service researchers, health care providers, health carrier representatives, representatives of businesses that purchase health coverage, and consumers. Six members of this committee must be physicians. The advisory committee shall evaluate methods of data collection and shall recommend to the commissioner methods of data collection that minimize administrative burdens, address data privacy concerns, and meet the needs of health service researchers. The advisory committee is governed by section 15.059.

Subd. 9. [FEDERAL AND OTHER GRANTS.] The commissioner shall seek federal funding, and funding from private and other nonstate sources, for the initiatives of the health care analysis unit.

Subd. 10. [CONTRACTS AND GRANTS.] To carry out the duties assigned in sections 62J.30 to 62J.34, the commissioner may contract with or provide grants to private sector entities. Any contract or grant must require the private sector entity to maintain the data on individuals which it receives according to the statutory provisions applicable to the data.

Subd. 11. [RULEMAKING.] The commissioner may adopt permanent and emergency rules to implement sections 62J.30 to 62J.34.

Sec. 2. [62J.31] [LARGE-SCALE DATA BASE.]

Subdivision 1. [ESTABLISHMENT.] The health care analysis unit shall establish a large-scale data base for a limited number of health conditions. This initiative must meet the requirements of this section.

Subd. 2. [SPECIFIC HEALTH CONDITIONS.] (a) The data must be collected for specific health conditions, rather than specific procedures, types of health care providers, or services. The health care analysis unit shall designate a limited number of specific health conditions for which data shall be collected during the first year of operation. For subsequent years, data may be collected for additional specific health conditions. The number of specific conditions for which data is collected is subject to the availability of appropriations.

(b) The initiative must emphasize conditions that account for significant total costs, when considering both the frequency of a condition and the unit cost of treatment. The initial emphasis must be on the study of conditions commonly treated in hospitals on an

inpatient or outpatient basis, or in freestanding outpatient surgical centers. As improved data collection and evaluation techniques are incorporated, this emphasis shall be expanded to include entire episodes of care for a given condition, whether or not treatment includes use of a hospital or a freestanding outpatient surgical center.

Subd. 3. [INFORMATION TO BE COLLECTED.] The data collected must include information on health outcomes, including information on mortality, morbidity, patient functional status and quality of life, symptoms, and patient satisfaction. The data collected must include information necessary to measure and make adjustments for differences in the severity of patient condition across different health care providers, and may include data obtained directly from the patient or from patient medical records. The data must be collected in a manner that allows comparisons to be made between providers, health carriers, public programs, and other entities.

Subd. 4. [DATA COLLECTION AND REVIEW.] Data collection for any one condition must continue for a sufficient time to permit: adequate analysis by researchers and appropriate providers, including providers who will be impacted by the data; feedback to providers; and monitoring for changes in practice patterns. The health care analysis unit shall annually review all specific health conditions for which data is being collected, in order to determine if data collection for that condition should be continued.

Subd. 5. [USE OF EXISTING DATA BASES.] (a) The health care analysis unit shall negotiate with private sector organizations currently collecting data on specific health conditions of interest to the unit, in order to obtain required data in a cost-effective manner and minimize administrative costs. The unit shall attempt to establish linkages between the large scale data base established by the unit and existing private sector data bases and shall consider and implement methods to streamline data collection in order to reduce public and private sector administrative costs.

(b) The health care analysis unit shall use existing public sector data bases, such as those existing for medical assistance and Medicare, to the greatest extent possible. The unit shall establish linkages between existing public sector data bases and consider and implement methods to streamline public sector data collection in order to reduce public and private sector administrative costs.

Sec. 3. [62J.32] [ANALYSIS AND USE OF DATA COLLECTED THROUGH THE LARGE-SCALE DATA BASE.]

Subdivision 1. [DATA ANALYSIS.] The health care analysis unit shall analyze the data collected on specific health conditions using existing practice parameters and newly researched practice param-

eters, including those established through the outcomes research studies of the federal government. The unit may use the data collected to develop new practice parameters, if development and refinement is based on input from and analysis by practitioners, particularly those practitioners knowledgeable about and impacted by practice parameters. The unit may also refine existing practice parameters, and may encourage or coordinate private sector research efforts designed to develop or refine practice parameters.

Subd. 2. [EDUCATIONAL EFFORTS.] The health care analysis unit shall maintain and improve the quality of health care in Minnesota by providing practitioners in the state with information about practice parameters. The unit shall promote, support, and disseminate parameters for specific, appropriate conditions, and the research findings on which these parameters are based, to all practitioners in the state who diagnose or treat the medical condition.

Subd. 3. [PEER REVIEW.] The unit may require peer review by the Minnesota medical association for specific medical conditions for which medical practice in all or part of the state deviates from practice parameters. The commissioner may also require peer review by the Minnesota medical association for specific medical conditions for which there are large variations in treatment method or frequency of treatment in all or part of the state. Peer review may be required for all medical practitioners statewide, or limited to medical practitioners in specific areas of the state. The peer review must determine whether the procedures conducted by medical practitioners are medically necessary and appropriate, and within acceptable and prevailing practice parameters that have been disseminated by the health care analysis unit in conjunction with the appropriate professional organizations. If a medical practitioner continues to perform procedures that are medically inappropriate, even after educational efforts by the review panel, the practitioner may be reported to the appropriate professional licensing board.

Subd. 4. [PRACTICE PARAMETER ADVISORY COMMITTEE.] The commissioner shall convene a 15-member practice parameter advisory committee comprised of eight physicians, other health care professionals, and representatives of the medical research community and the medical technology industry. The committee shall present recommendations on the adoption of practice parameters to the commissioner and the Minnesota health care commission and provide technical assistance as needed to the commissioner and the commission. The advisory committee is governed by section 15.059, but does not expire.

Sec. 4. [62J.33] [TECHNICAL ASSISTANCE FOR PURCHASERS.]

The health care analysis unit shall provide technical assistance to

health plan and health care purchasers. The unit shall collect information about:

(1) premiums, benefit levels, managed care procedures, health care outcomes, and other features of popular health plans and health carriers; and

(2) prices, outcomes, provider experience, and other information for services less commonly covered by insurance or for which patients commonly face significant out-of-pocket expenses.

The commissioner shall publicize this information in an easily understandable format.

Sec. 5. [62J.34] [OUTCOME-BASED PRACTICE PARAMETERS.]

The health care analysis unit may develop, adopt, revise, and disseminate practice parameters, and disseminate research findings, that are supported by medical literature and appropriately controlled studies to minimize unnecessary, unproven, or ineffective care. The development, adoption, revision, and dissemination of practice parameters under this chapter are not subject to chapter 14. Among other appropriate activities relating to the development of practice parameters, the health care analysis unit shall:

(1) determine uniform specifications for the collection, transmission, and maintenance of health outcomes data; and

(2) conduct studies and research on the following subjects:

(i) new and revised practice parameters to be used in connection with state health care programs and other settings;

(ii) the comparative effectiveness of alternative modes of treatment, medical equipment, and drugs;

(iii) the relative satisfaction of participants with their care, determined with reference to both provider and mode of treatment;

(iv) the cost versus the effectiveness of health care treatments; and

(v) the impact on cost and effectiveness of health care of the management techniques and administrative interventions used in the state health care programs and other settings.

Sec. 6. Minnesota Statutes 1991 Supplement, section 145.61, subdivision 5, is amended to read:

Subd. 5. "Review organization" means a nonprofit organization acting according to clause (k) or a committee whose membership is

limited to professionals, administrative staff, and consumer directors, except where otherwise provided for by state or federal law, and which is established by a hospital, by a clinic, by one or more state or local associations of professionals, by an organization of professionals from a particular area or medical institution, by a health maintenance organization as defined in chapter 62D, by a nonprofit health service plan corporation as defined in chapter 62C, by a professional standards review organization established pursuant to United States Code, title 42, section 1320c-1 et seq., or by a medical review agent established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b), or by the department of human services, to gather and review information relating to the care and treatment of patients for the purposes of:

(a) evaluating and improving the quality of health care rendered in the area or medical institution;

(b) reducing morbidity or mortality;

(c) obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness and injuries;

(d) developing and publishing guidelines showing the norms of health care in the area or medical institution;

(e) developing and publishing guidelines designed to keep within reasonable bounds the cost of health care;

(f) reviewing the quality or cost of health care services provided to enrollees of health maintenance organizations, health service plans, and insurance companies;

(g) acting as a professional standards review organization pursuant to United States Code, title 42, section 1320c-1 et seq.;

(h) determining whether a professional shall be granted staff privileges in a medical institution, membership in a state or local association of professionals, or participating status in a nonprofit health service plan corporation, health maintenance organization, or insurance company, or whether a professional's staff privileges, membership, or participation status should be limited, suspended or revoked;

(i) reviewing, ruling on, or advising on controversies, disputes or questions between:

(1) health insurance carriers, nonprofit health service plan corporations, or health maintenance organizations and their insureds, subscribers, or enrollees;

(2) professional licensing boards ~~acting under their powers including disciplinary, license revocation or suspension procedures~~ and health providers licensed by them ~~when the matter is referred to a review committee by the professional licensing board~~;

(3) professionals and their patients concerning diagnosis, treatment or care, or the charges or fees therefor;

(4) professionals and health insurance carriers, nonprofit health service plan corporations, or health maintenance organizations concerning a charge or fee for health care services provided to an insured, subscriber, or enrollee;

(5) professionals or their patients and the federal, state, or local government, or agencies thereof;

(j) providing underwriting assistance in connection with professional liability insurance coverage applied for or obtained by dentists, or providing assistance to underwriters in evaluating claims against dentists;

(k) acting as a medical review agent under section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b); ~~or~~

(l) providing recommendations on the medical necessity of a health service, or the relevant prevailing community standard for a health service; or

(m) reviewing a provider's professional practice as requested by the health care analysis unit under section 62J.32.

Sec. 7. Minnesota Statutes 1991 Supplement, section 145.64, subdivision 2, is amended to read:

Subd. 2. [PROVIDER DATA.] The restrictions in subdivision 1 shall not apply to professionals requesting or seeking through discovery, data, information, or records relating to their medical staff privileges, membership, or participation status. However, any data so disclosed in such proceedings shall not be admissible in any other judicial proceeding than those brought by the professional to challenge an action relating to the professional's medical staff privileges or participation status.

Sec. 8. [214.16] [DATA COLLECTION; HEALTH CARE PROVIDER TAX.]

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

(a) "Board" means the boards of medical practice, chiropractic examiners, nursing, optometry, dentistry, pharmacy, and podiatry.

(b) "Regulated person" means a licensed physician, chiropractor, nurse, optometrist, dentist, pharmacist, or podiatrist.

Subd. 2. [BOARD COOPERATION REQUIRED.] The board shall assist the commissioner of health and the data analysis unit in data collection activities required under this article. Upon the request of the commissioner or the data analysis unit, the board shall make available names and addresses of current licensees and provide other information or assistance as needed.

Subd. 3. [GROUNDS FOR DISCIPLINARY ACTION.] The board shall take disciplinary action against a regulated person for failure to provide the health care analysis unit with data as required under this article.

Sec. 9. [STUDY OF ADMINISTRATIVE COSTS.]

The health care analysis unit shall study costs and requirements incurred by health carriers, group purchasers, and health care providers that are related to the collection and submission of information to the state and federal government, insurers, and other third parties. The unit shall recommend to the commissioner of health and the Minnesota health care commission by January 1, 1994, any reforms that may reduce these costs without compromising the purposes for which the information is collected.

ARTICLE 7

MEDICAL MALPRACTICE

Section 1. Minnesota Statutes 1990, section 145.682, subdivision 4, is amended to read:

Subd. 4. [IDENTIFICATION OF EXPERTS TO BE CALLED.] (a) The affidavit required by subdivision 2, clause (2), must be signed by each expert listed in the affidavit and by the plaintiff's attorney and state the identity of each person whom plaintiff expects to call as an expert witness at trial to testify with respect to the issues of malpractice or causation, the substance of the facts and opinions to which the expert is expected to testify, and a summary of the grounds for each opinion. Answers to interrogatories that state the information required by this subdivision satisfy the requirements of this subdivision if they are signed by the plaintiff's attorney and by each expert listed in the answers to interrogatories and served upon the defendant within 180 days after commencement of the suit against the defendant.

(b) The parties or the court for good cause shown, may by agreement, provide for extensions of the time limits specified in subdivision 2, 3, or this subdivision. Nothing in this subdivision may be construed to prevent either party from calling additional expert witnesses or substituting other expert witnesses.

(c) In any action alleging medical malpractice, all expert interrogatory answers must be signed by the attorney for the party responding to the interrogatory and by each expert listed in the answers. The court shall include in a scheduling order a deadline prior to the close of discovery for all parties to answer expert interrogatories for all experts to be called at trial. No additional experts may be called by any party without agreement of the parties or by leave of the court for good cause shown.

Sec. 2. [604.20] [MEDICAL MALPRACTICE CASES.]

Subdivision 1. [DISCOVERY.] Pursuant to the time limitations set forth in the Minnesota rules of civil procedure, the parties to any medical malpractice action may exchange the uniform interrogatories in subdivision 3 and ten additional nonuniform interrogatories. Any subparagraph of a nonuniform interrogatory will be treated as one nonuniform interrogatory. By stipulation of the parties, or by leave of the court upon a showing of good cause, more than ten additional nonuniform interrogatories may be propounded by a party. In addition, the parties may submit a request for production of documents pursuant to rule 34 of the Minnesota rules of civil procedure.

Subd. 2. [ALTERNATIVE DISPUTE RESOLUTION.] At the time a trial judge orders a case for trial, the court shall require the parties to discuss and determine whether a form of alternative dispute resolution would be appropriate or likely to resolve some or all of the issues in the case. Alternative dispute resolution may include arbitration, mediation, summary jury trial, or other alternatives suggested by the court or parties, and may be either binding or nonbinding. All parties must agree unanimously before alternative dispute resolution proceeds.

Subd. 3. [UNIFORM INTERROGATORIES.] (a) Uniform plaintiff's interrogatories to the defendant are as follows:

PLAINTIFF'S INTERROGATORIES TO DEFENDANT

INTERROGATORY NO. 1:

Please attach a complete curriculum vitae for Dr. (.....), M.D., which should include, but is not limited to, the following information:

a. Name;

b. Office address;

c. Name of practice;

d. Identities of partners or associates, including their names, specialties, and how long they have been associated with Dr. (.....);

e. Specialty of Dr. (.....);

f. Age;

g. The names and dates of attendance at any medical schools;

h. Full information as to internship or residency, including the place and dates of the internship or residency as well as any specialized fields of practice engaged in during such internship or residency;

i. The complete history of the practice of Dr. (.....) from and after medical school, setting forth the places where Dr. (.....) practiced medicine, the persons with whom Dr. (.....) was associated, the dates of the practice, and the reasons for leaving the practice;

j. Full information as to any board certifications Dr. (.....) may hold, including the field of specialty and the dates of the certifications and any recertifications;

k. Identifying the medical societies and organizations to which Dr. (.....) belongs, giving full information as to any offices held in the organizations;

l. Identifying all professional journal articles, treatises, textbooks, abstracts, speeches, or presentations which Dr. (.....) has authored or contributed to; and

m. Any other information which describes or explains the training and experience of Dr. (.....) for the practice of medicine.

INTERROGATORY NO. 2:

Has Dr. (.....) been the subject of any professional disciplinary actions of any kind and, if so:

State whether Dr. (.....'s) license to practice medicine has ever been revoked or publicly limited in any way and, if so, give the date and the reasons for such revocation or restriction.

INTERROGATORY NO. 3:

Please set forth a listing by author, title, publisher, and date of publication of all the medical texts referred to by Dr. (.....) with respect to the practice of medicine during the past five years.

INTERROGATORY NO. 4:

Please set forth a complete listing of the medical and professional journals to which Dr. (.....) subscribes or has subscribed within the past five years.

INTERROGATORY NO. 5:

As to each expert whom you expect to call as a witness at trial, please state:

a. The expert's name, address, occupation, and title;

b. The expert's field of expertise, including subspecialties, if any;

c. The expert's education background;

d. The expert's work experience in the field of expertise;

e. All professional societies and associations of which the expert is a member;

f. All hospitals at which the expert has staff privileges of any kind;

g. All written publications of which the expert is the author, giving the title of the publication and when and where it was published.

INTERROGATORY NO. 6:

With respect to each person identified in answer to the foregoing interrogatory, state:

a. The subject matter on which the person is expected to testify;

b. The substance of the facts and opinions to which the person is expected to testify; and

c. A summary of the grounds for each opinion, including the specific factual data upon which the opinion will be based.

INTERROGATORY NO. 7:

Please state whether there is any policy of insurance that will provide coverage to the defendant should liability attach on the basis of the allegations contained in the plaintiff's Complaint. If so, state with regard to each policy applicable:

a. The name and address of the insurer;

b. The exact limits of coverage applicable;

c. Whether any reservation of rights or controversy or coverage dispute exists between you and the insurance company.

Please attach copies of each policy to your Answers.

INTERROGATORY NO. 8:

State the full name, present address, occupation, age, present employer, and the present employer's address of each physician, nurse, or other medical personnel in the employ of the defendant or defendant's professional association who treated, cared for, examined, or otherwise attended (name) from (date 1), through (date 2). With regard to every individual, please state:

a. Each date upon which the individual attended (name);

b. The nature of the treatment or care rendered (name) on each date;

c. The qualifications and area of specialty of each individual; and

d. The present address of each individual.

In responding to this interrogatory, referring plaintiff's counsel to medical records will not be deemed to be a sufficient answer as plaintiff's counsel has reviewed the medical records and is not able to determine the identity of the individuals.

INTERROGATORY NO. 9: (Hospital defendant only)

Please state the name, address, telephone number, and last known employer of the nursing supervisor for the shifts set forth in the preceding interrogatory.

INTERROGATORY NO. 10:

Please identify by name and current or last known address and telephone number each and every person who has or claims to have knowledge of any facts relevant to the issues in this lawsuit, stating in detail all facts each person has or claims to have knowledge of.

INTERROGATORY NO. 11:

a. Have any statements been taken from nonparties or the plaintiff(s) pertaining to this claim? For purposes of this request, a statement previously made is (1) a written statement signed or otherwise adopted or approved by the person making it, or (2) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantial verbatim recital or an oral statement by the person making it and contemporaneously recorded. With regard to each statement, state:

1. The name and address of each person making a statement;

2. The date on which the statement was made;

3. The name and address of the person or persons taking each statement; and

4. The subject matter of each statement.

b. Attach a copy of each statement to the answers to these interrogatories.

c. If you claim that any information, document, or thing sought or requested is privileged, protected by the work product doctrine, or otherwise not discoverable, please:

1. Identify each document or thing by date, author, subject matter, and recipient;

2. State in detail the legal and factual basis for asserting said privilege, work product protection, or objection, or refusing to provide discovery as requested.

INTERROGATORY NO. 12:

Do you or anyone acting on your behalf know of any photographs, films, or videotapes depicting [.....]? If so, state:

a. The number of photographs or feet of film or videotape;

b. The places, objects, or persons photographed, filmed, or videotaped;

c. The date the photographs, film, or videotapes were taken;

d. The name, address, and telephone number of each person who has the original or copy.

Please attach copies of any photographs or videotapes.

INTERROGATORY NO. 13:

If you claim that injuries to plaintiff complained of in plaintiff's Complaint were contributed to or caused by plaintiff or any other person, including any other physician, hospital, nurse, or other health care provider, please state:

a. The facts upon which you base the claim;

b. The name, current address, and current employer of each person whom you allege was or may have been negligent.

INTERROGATORY No. 14:

Please state the name or names of the individuals supplying the information contained in your Answers to these Interrogatories. In addition, please state these individuals' current addresses, places of employment, and their current position at their place of employment.

INTERROGATORY NO. 15:

Does defendant have knowledge of any conversations or statements made by the plaintiff(s) concerning any subject matter relative to this action? If so, please state:

a. The name and last known address of each person who claims to have heard such conversations or statements;

b. The date of such conversations or statements;

c. The summary or the substance of each conversation or statement.

INTERROGATORY NO. 16:

Did the defendant, the defendant's agents, or employees conduct a surveillance of the plaintiff(s)? If so, state:

a. Name, address, and occupation of the person who conducted each surveillance;

b. Name and address of the person who requested each surveillance to be made;

c. Date or dates on which each surveillance was conducted;

d. Place or places where each surveillance was performed;

e. Information or facts discovered in the surveillance;

f. Name and address of the person now having custody of each written report, photographs, videotapes, or other documents concerning each surveillance.

INTERROGATORY NO. 17:

Are you aware of any person you may call as a witness at the trial of this action who may have or claims you have any information concerning the medical, mental, or physical condition of the plaintiff(s) prior to the incident in question? ..... If so, state:

a. The name and last know address of each person and your means of ascertaining the present whereabouts of each person;

b. The occupation and employer of each person;

c. The subject and substance of the information each person claims to have.

INTERROGATORY NO. 18:

As to any affirmative defenses you allege, state the factual basis of and describe each affirmative defense, the evidence which will be offered at trial concerning any alleged affirmative defense, including the names of any witnesses who will testify in support thereof, and the descriptions of any exhibits which will be offered to establish each affirmative defense.

INTERROGATORY NO. 19:

Do you contend that any entries in the answering defendant's medical/hospital records are incorrect or inaccurate? If so, state:

a. The precise entry(ies) that you think are incorrect or inaccurate;

b. What you contend the correct or accurate entry(ies) should have been;

c. The name, address, and employer of each and every person who has knowledge pertaining to a. and b.;

d. A description, including the author and title of each and every document that you claim supports your answer to a. and b.;

e. The name, address, and telephone number of each and every person you intend to call as a witness in support of your contention.

(b) Uniform defendant's interrogatories to the plaintiff for personal injury cases are as follows:

DEFENDANT'S INTERROGATORIES TO PLAINTIFF
(PERSONAL INJURY)

1. State your full name, address, date of birth, marital status, and social security number.

2. If you have been employed at any time in the past ten years, with respect to this period state the names and addresses of each of your employers, describe the nature of your work, and state the approximate dates of each employment.

3. If you have ever been a party to a lawsuit where you claimed damages for injury to your person, state the title of the suit, the court file number, the date of filing, the name and address of any involved insurance carrier, the kind of claim, and the ultimate disposition of the same. (This is meant to include workers' compensation and social security disability claims.)

4. Identify by name and address each and every physician, surgeon, medical practitioner, or other health care practitioner whom you consulted or who provided advice, treatment, or care for you at any time within the last ten years and, with respect to each contract, consultation, treatment, or advice, describe the same with particularity and indicate the reasons for the same.

5. State the name and address of each and every hospital, treatment facility, or institution in which plaintiff has been confined for any reason at any time, and set forth with particularity the reasons for each confinement and/or treatment and the dates of each.

6. Itemize all special damages which you claim in this case and specify, where appropriate, the basis and reason for your calculation as to each item of special damages.

7. List all payments related to the injury or disability in question that have been made to you, or on your behalf, from "collateral sources" as that term is defined in Minnesota Statutes, section 548.36.

8. List all amounts that have been paid, contributed, or forfeited by, or on behalf of, you or members of your immediate family for the two-year period immediately before the accrual of this action to

secure the right to collateral source benefits that have been made to you or on your behalf.

9. Do you contend any of the following:

a. That defendant did not possess that degree of skill and learning which is normally possessed and used by medical professionals in good standing in a similar practice and under like circumstances;

b. That defendant did not exercise that degree of skill and learning which is normally used by medical professionals in good standing in a similar practice and under like circumstances.

10. If your answer to any part of the foregoing interrogatory is yes, with respect to each answer:

a. Specify in detail each contention;

b. Specify in detail each act or omission of defendant which you contend was a departure from the degree of skill and learning normally used by medical professionals in a similar practice and under like circumstances;

c. Specify in detail the conduct of defendant as you claim it should have been;

d. Specify in detail each fact known to you and your attorneys upon which you base your answers to interrogatories 9 and 10.

11. If you claim defendant failed to disclose to you any risk concerning the involved medical care and treatment which, if disclosed, would have resulted in your refusing to consent to the medical care or treatment, then:

a. State in detail each and every thing defendant did tell you concerning the risks of the involved medical care and treatment, giving the approximate dates thereof and identifying all persons in attendance;

b. Describe each and every risk which you claim defendant should have, but failed to, disclose to you;

c. Describe in detail precisely what you claim defendant should have said to you, but failed to say, concerning the risks of the involved medical care and treatment;

d. Explain in detail all facts and reasons upon which you base the claim that, if the foregoing risks were explained to you, you would not have consented to the involved medical care and treatment.

12. Please identify by name and current or last known address and telephone number each and every person who has or claims to have any knowledge of any facts relevant to the issues in this lawsuit, stating in detail all facts each person has or claims to have knowledge of.

13. As to each expert whom you expect to call as a witness at trial, please state:

a. The expert's name, address, occupation, and title;

b. The expert's field of expertise, including subspecialties, if any;

c. The expert's education background;

d. The expert's work experience in the field of expertise;

e. All professional societies and associations of which the expert is a member;

f. All hospitals at which the expert has staff privileges of any kind;

g. All written publications of which the expert is the author, giving the title of the publication and when and where it was published.

14. With respect to each person identified in answer to the foregoing interrogatory, state:

a. The subject matter on which the expert is expected to testify;

b. The substance of the facts and opinions to which the expert is expected to testify; and

c. A summary of the grounds for each opinion, including the specific factual data upon which the opinion will be based.

15. Have any statements been taken from any defendant or nonparty pertaining to this claim? For purposes of this request, a statement previously made is: (1) a written statement signed or otherwise adopted or approved by the person making it, or (2) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantial verbatim recital or an oral statement by the person making it and contemporaneously recorded. With regard to each statement, state:

a. The name and address of each person making a statement;

b. The date on which the statement was made;

c. The name and address of the person or persons taking each statement; and

d. The subject matter of the statement;

e. Attach a copy of each statement to the answers to these interrogatories.

f. If you claim that any information, document, or thing sought or requested is privileged, protected by the work product doctrine, or otherwise not discoverable, please:

1. Identify each document or thing by date, author, subject matter, and recipient;

2. State in detail the legal and factual basis for asserting said privilege, work product protection, or objection, or refusing to provide discovery as requested.

(c) Uniform defendant's interrogatories to the plaintiff for wrongful death cases are as follows:

DEFENDANT'S INTERROGATORIES TO PLAINTIFF
(WRONGFUL DEATH)

1. State the full name, age, present occupation, business address, present residence address, and address for a period of ten years prior to the present date for each heir or next of kin (including the Trustee) on whose behalf this action has been commenced.

2. Set forth the date of birth and place of birth of the decedent.

3. Set forth the date of birth and place of birth of the decedent's surviving spouse.

4. Set forth the names, date of birth, and places of birth of any children of decedent.

5. Set forth the names, addresses, and dates of birth of all heirs and next of kin of decedent and set forth the relationship of each individual to decedent.

6. Set forth the date of marriage between decedent and decedent's surviving spouse and the place of the marriage.

7. Set forth whether or not there were any proceedings for a legal separation or divorce instituted between decedent and decedent's surviving spouse and, if so, set forth the dates that the proceedings

were instituted, the result of the proceedings, and the court in which the proceedings were instituted.

8. Set forth whether or not decedent was ever married to anyone other than decedent's surviving spouse and if so, set forth the names of any other spouse or spouses and the inclusive dates of any other marriages.

9. Set forth whether or not decedent's surviving spouse has ever been married to anyone other than decedent and, if so, set forth the names of any other spouses and the inclusive dates of any other marriages.

10. If you claim defendant failed to disclose to you any risk concerning the involved medical care and treatment which, if disclosed, would have resulted in the decedent's refusing to consent to the medical care or treatment, then:

a. State in detail each and every thing defendant did tell you concerning the risks of the involved medical care and treatment, giving the approximate dates thereof and identify all persons in attendance;

b. Describe each and every risk which you claim defendants should have, but failed to, disclose to you;

c. Describe in detail precisely what you claim defendant should have said to you, but failed to say, concerning the risks of the involved medical care and treatment;

d. Explain in detail all facts and reasons upon which you base the claim that, if the foregoing risks were explained to you, you would not have consented to the involved medical care and treatment.

11. Was the deceased employed at the time of death?

12. If the answer to Interrogatory No. 10 is yes, indicate the following:

a. The name and address of the deceased's employer and the nature of the employment;

b. The amount of earnings from the employment;

c. Defendant requests copies of the decedent's federal and state income tax return for the past five years.

13. If decedent was self-employed for any period of time during the ten-year period of time immediately preceding decedent's death, set forth the following:

a. The inclusive dates of the self-employment;

b. A specific and detailed description of the nature of the self-employment;

c. The business name and address under which decedent operated; and

d. A specific and detailed description of decedent's earnings from the self-employment.

14. Set forth in detail a chronological education history of decedent including the name and address of each school attended, the inclusive dates of attendance, the date of graduation, a description of any degrees awarded, a description of the major area of study and the grade point average upon graduation.

15. Did the decedent make any contribution of money, property, or other items having a money worth toward the support, maintenance, or well-being of any next of kin and, if so, please itemize the following:

a. The amount and nature of the contribution;

b. The date(s) upon which each contribution was made;

c. The persons(s) receiving each contribution;

d. The period of time over which the contributions were made;

e. The regularity or irregularity of the contributions;

f. Identify by date, author, type, recipient, and present custodian each and every document referring to or otherwise evidencing each contribution.

16. Identify by name and address each and every physician, surgeon, medical practitioner, or other health care practitioner whom the decedent consulted or who provided advice, treatment, or care for the decedent at any time within ten years prior to death and, with respect to the contact, consultation, treatment, or advice, describe the same with particularity and indicate the reasons for the same.

17. State the name and address of each and every hospital, treatment facility, or institution in which the decedent has been confined for any reason at any time, and set forth with particularity the reasons for each confinement and/or treatment and the dates of each.

18. Itemize all special damages which you claim in this case and specify, where appropriate, the basis and reason for your calculation as to each item of special damages.

19. List any payment related to the injury or disability in question made to you, or on your behalf, from "collateral sources" as that term is defined in Minnesota Statutes, section 548.36.

20. List all amounts that have been paid, contributed or forfeited by, or on behalf of, you or members of your immediate family for the two-year period immediately before the accrual of this action to secure the right to collateral source benefits that have been made to you or on your behalf.

21. Do you contend any of the following:

a. That any of the defendants did not possess that degree of skill and learning which is normally possessed and used by medical professionals in good standing in a similar practice and under like circumstances? If so, identify the defendants;

b. That any of the defendants did not exercise that degree of skill and learning which is normally used by medical professionals in good standing in a similar practice and under like circumstances? If so, identify the defendants.

22. If your answer to any part of the foregoing interrogatory is yes, with respect to each answer:

a. Specify in detail your contention;

b. Specify in detail each act or omission of each defendant which you contend was a departure from that degree of skill and learning normally used by medical professionals in a similar practice and under like circumstances.

23. Please identify by name and current or last known address and telephone number of each and every person who has or claims to have any knowledge of any facts relevant to the issues in this lawsuit, stating in detail all facts each person has or claims to have knowledge of.

24. As to each expert whom you expect to call as a witness at trial, please state:

a. The expert's name, address, occupation, and title;

b. The expert's field of expertise, including subspecialties, if any;

c. The expert's education background;

d. The expert's work experience in the field of expertise;

e. All professional societies and associations of which the expert is a member;

f. All hospitals at which the expert has staff privileges of any kind;

g. All written publications of which the expert is the author, giving the title of the publication and when and where it was published.

25. With respect to each person identified in the foregoing interrogatory, state:

a. The subject matter on which the expert is expected to testify;

b. The substance of the facts and opinions to which the expert is expected to testify; and

c. A summary of the grounds for each opinion, including the specific factual data upon which the opinion will be based.

26. Set forth in detail anything said or written by which plaintiff claims to be relevant to any of the issues in this lawsuit, identifying the time and place of each statement, who was present, and what was said by each person who was present.

27. Have any statements been taken from any defendant or nonparty pertaining to this claim? For purposes of this request, a statement previously made is: (1) a written statement signed or otherwise adopted or approved by the person making it, or (2) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantial verbatim recital or an oral statement by the person making it and contemporaneously recorded. With regard to each statement, state:

a. The name and address of each person making a statement;

b. The date on which the statement was made;

c. The name and address of the person or persons taking each statement; and

d. The subject matter of each statement;

e. Attach a copy of each statement to the answers to these interrogatories;

f. If you claim that any information, document or thing sought or requested is privileged, protected by the work product doctrine, or otherwise not discoverable, please:

1. Identify each document or thing by date, author, subject matter, and recipient;

2. State in detail the legal and factual basis for asserting said privilege, work product protection, or objection, or refusing to provide discovery as requested.

ARTICLE 8

TRANSFER OF REGULATORY AUTHORITY FOR HEALTH MAINTENANCE ORGANIZATIONS

Section 1. [TRANSFER OF AUTHORITY.]

The commissioner of commerce has sole authority over the financial aspects of health maintenance organizations, and the commissioner of health has sole authority over the health care aspects of health maintenance organizations. Minnesota Statutes, section 15.039, applies to this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1993.

ARTICLE 9

FINANCING

Section 1. [16A.724] [HEALTH CARE ACCESS ACCOUNT.]

A health care access account is created in the general fund. The commissioner shall deposit to the credit of the account money made available to the account.

Sec. 2. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed $650 for each dependent in grades kindergarten to 6 and $1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; ~~and~~

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491~~.~~; and

(8) to the extent not deducted in determining federal taxable income, the amount paid for health insurance of self-employed individuals as determined under section 162(l) of the Internal

Revenue Code, except that the 25 percent limit does not apply. If the taxpayer deducted insurance payments under section 213 of the Internal Revenue Code of 1986, the subtraction under this clause must be reduced by the lesser of:

(i) the total itemized deductions allowed under section 63(d) of the Internal Revenue Code, less state, local, and foreign income taxes deductible under section 164 of the Internal Revenue Code and the standard deduction under section 63(c) of the Internal Revenue Code; or

(ii) the lesser of (A) the amount of insurance qualifying as "medical care" under section 213(d) of the Internal Revenue Code to the extent not deducted under section 162(l) of the Internal Revenue Code or excluded from income or (B) the total amount deductible for medical care under section 213(a).

Sec. 3. Minnesota Statutes 1991 Supplement, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~21.5~~ 24 mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, ~~43~~ 48 mills on each such cigarette.

Sec. 4. Minnesota Statutes 1990, section 297.13, is amended by adding a subdivision to read:

Subd. 8. [HEALTH CARE ACCESS.] Notwithstanding the provisions of subdivision 1, the revenue provided by 2.5 mills of the tax on cigarettes weighing not more than three pounds a thousand and five mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the health care access account in the general fund. This section applies only to revenue collected for sales after June 30, 1992. Revenue includes revenue from the tax, interest, and penalties.

Sec. 5. [EFFECTIVE DATE.]

Section 2 is effective for taxable years beginning after December 31, 1991. Section 3 is effective for cigarettes sold or possessed after June 30, 1992.

ARTICLE 10

APPROPRIATIONS

Section 1. APPROPRIATIONS

Subdivision 1. The amounts specified in this section are appropriated from the health care access account in the general fund to the agencies and for the purposes indicated in articles 1 to 10, to be available until June 30, 1993.

Subd. 2. Commissioner of Commerce	$ 25,000
Subd. 3. Commissioner of Health	1,529,000
Subd. 4. Higher Education Coordinating Board	166,000
Subd. 5. Board of Regents of the University of Minnesota	2,200,000
Subd. 6. Commissioner of Revenue	350,000
Subd. 7. Administration	514,000"

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 52 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Koppendrayer	Olsen, S.	Sviggum
Anderson, R. H.	Gutknecht	Krambeer	Omann	Swenson
Bertram	Hartle	Krinkie	Onnen	Tompkins
Bettermann	Haukoos	Leppik	Pauly	Uphus
Blatz	Heir	Limmer	Pellow	Valento
Davids	Henry	Lynch	Pelowski	Waltman
Dille	Hufnagle	Macklin	Runbeck	Weaver
Erhardt	Hugoson	Marsh	Schafer	Welker
Frederick	Jennings	McPherson	Schreiber	
Frerichs	Johnson, V.	Morrison	Seaberg	
Girard	Knickerbocker	Newinski	Smith	

Those who voted in the negative were:

Anderson, I.	Beard	Boo	Clark	Dempsey
Anderson, R.	Begich	Brown	Cooper	Dorn
Battaglia	Bishop	Carlson	Dauner	Farrell
Bauerly	Bodahl	Carruthers	Dawkins	Garcia

Greenfield	Kelso	Nelson, S.	Rest	Trimble
Gruenes	Kinkel	O'Connor	Rice	Tunheim
Hanson	Krueger	Ogren	Rodosovich	Vanasek
Hasskamp	Lasley	Olson, E.	Rukavina	Vellenga
Hausman	Lieder	Olson, K.	Sarna	Wagenius
Jacobs	Lourey	Orenstein	Segal	Wejcman
Janezich	Mariani	Orfield	Simoneau	Welle
Jaros	McEachern	Osthoff	Skoglund	Wenzel
Jefferson	McGuire	Ostrom	Solberg	Winter
Johnson, A.	Milbert	Ozment	Sparby	Spk. Long
Johnson, R.	Munger	Peterson	Stanius	
Kahn	Murphy	Pugh	Steensma	
Kalis	Nelson, K.	Reding	Thompson	

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

The Speaker resumed the Chair.

Skoglund; Winter; Nelson, S.; Knickerbocker; Bishop; Jennings; Uphus; Dawkins; Greenfield; Gruenes; Abrams; Hasskamp; Carruthers; Orenstein; Hausman; Ogren; Swenson; Clark; Lynch; Segal; Rodosovich; Bertram; Hanson; Munger; Mariani; Hartle; Anderson, R.; Macklin; Cooper; Wagenius; Dille; Ozment; Sparby; Wejcman; Kinkel; Reding; Thompson; Dauner; McGuire; Steensma and Farrell moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 78, line 9, after the period insert "The loss ratios required by this section for coverage sold in the small employer market also apply to all individual and group policies described in section 62A.135."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Skoglund et al amendment and the roll was called. There were 95 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Abrams	Begich	Carlson	Dille	Greenfield
Anderson, I.	Bertram	Carruthers	Dorn	Gruenes
Anderson, R.	Bishop	Clark	Farrell	Hanson
Battaglia	Blatz	Cooper	Garcia	Hartle
Bauerly	Bodahl	Dauner	Girard	Hausman
Beard	Brown	Dawkins	Goodno	Hugoson

Jacobs	Krueger	Murphy	Peterson	Sparby
Janezich	Lasley	Nelson, K.	Pugh	Steensma
Jaros	Leppik	Nelson, S.	Reding	Swenson
Jefferson	Lieder	Ogren	Rest	Thompson
Johnson, A.	Limmer	Olsen, S.	Rice	Trimble
Johnson, R.	Lourey	Olson, E.	Rodosovich	Tunheim
Kahn	Lynch	Olson, K.	Rukavina	Vellenga
Kalis	Macklin	Omann	Sarna	Wagenius
Kelso	Mariani	Orenstein	Segal	Wejcman
Kinkel	McEachern	Orfield	Simoneau	Welle
Knickerbocker	McGuire	Ostrom	Skoglund	Wenzel
Koppendrayer	Milbert	Pauly	Smith	Winter
Krambeer	Munger	Pelowski	Solberg	Spk. Long

Those who voted in the negative were:

Anderson, R. H.	Gutknecht	Marsh	Pellow	Uphus
Bettermann	Haukoos	McPherson	Runbeck	Valento
Boo	Heir	Morrison	Schafer	Waltman
Davids	Henry	Newinski	Schreiber	Weaver
Dempsey	Hufnagle	O'Connor	Seaberg	Welker
Erhardt	Jennings	Onnen	Stanius	
Frederick	Johnson, V.	Osthoff	Sviggum	
Frerichs	Krinkie	Ozment	Tompkins	

The motion prevailed and the amendment was adopted.

Olsen, S., moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 102, line 25, delete "four" and insert "12"

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., amendment and the roll was called. There were 14 yeas and 118 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Erhardt	Limmer	Onnen	Uphus
Boo	Knickerbocker	McPherson	Schreiber	Welker
Dempsey	Krinkie	Olsen, S.	Smith	

Those who voted in the negative were:

Abrams	Brown	Frerichs	Heir	Kahn
Anderson, I.	Carlson	Garcia	Henry	Kalis
Anderson, R.	Carruthers	Girard	Hufnagle	Kelso
Battaglia	Clark	Goodno	Hugoson	Kinkel
Bauerly	Cooper	Greenfield	Jacobs	Koppendrayer
Beard	Dauner	Gruenes	Janezich	Krambeer
Begich	Davids	Gutknecht	Jaros	Krueger
Bertram	Dawkins	Hanson	Jefferson	Lasley
Bettermann	Dille	Hartle	Jennings	Leppik
Bishop	Dorn	Hasskamp	Johnson, A.	Lieder
Blatz	Farrell	Haukoos	Johnson, R.	Lourey
Bodahl	Frederick	Hausman	Johnson, V.	Lynch

Macklin	Ogren	Peterson	Simoneau	Valento
Mariani	Olson, E.	Pugh	Skoglund	Vellenga
Marsh	Olson, K.	Reding	Solberg	Wagenius
McEachern	Omann	Rest	Sparby	Waltman
McGuire	Orenstein	Rice	Stanius	Weaver
Milbert	Orfield	Rodosovich	Steensma	Wejcman
Morrison	Osthoff	Rukavina	Sviggum	Welle
Munger	Ostrom	Runbeck	Swenson	Wenzel
Murphy	Ozment	Sarna	Thompson	Winter
Nelson, K.	Pauly	Schafer	Tompkins	Spk. Long
Nelson, S.	Pellow	Seaberg	Trimble	
Newinski	Pelowski	Segal	Tunheim	

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

Onnen moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 21, delete lines 21 to 31

Renumber the sections in sequence

A roll call was requested and properly seconded.

The question was taken on the Onnen amendment and the roll was called. There were 50 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Abrams	Davids	Heir	Marsh	Seaberg
Anderson, R.	Dille	Henry	McPherson	Smith
Anderson, R. H.	Erhardt	Hufnagle	Morrison	Sviggum
Bertram	Frederick	Hugoson	Onnen	Swenson
Bettermann	Frerichs	Johnson, R.	Ozment	Tompkins
Blatz	Girard	Kalis	Pauly	Uphus
Boo	Goodno	Knickerbocker	Pellow	Valento
Brown	Gutknecht	Krinkie	Peterson	Waltman
Cooper	Hartle	Limmer	Runbeck	Weaver
Dauner	Haukoos	Lynch	Schafer	Welker

Those who voted in the negative were:

Anderson, I.	Gruenes	Krambeer	Newinski	Rice
Battaglia	Hanson	Krueger	O'Connor	Rodosovich
Bauerly	Hasskamp	Lasley	Ogren	Rukavina
Beard	Hausman	Leppik	Olsen, S.	Sarna
Begich	Jacobs	Lieder	Olson, E.	Segal
Bishop	Janezich	Lourey	Olson, K.	Simoneau
Bodahl	Jaros	Macklin	Omann	Skoglund
Carlson	Jefferson	Mariani	Orenstein	Solberg
Carruthers	Jennings	McEachern	Orfield	Sparby
Clark	Johnson, A.	McGuire	Osthoff	Stanius
Dawkins	Johnson, V.	Milbert	Ostrom	Steensma
Dorn	Kahn	Munger	Pelowski	Thompson
Farrell	Kelso	Murphy	Pugh	Trimble
Garcia	Kinkel	Nelson, K.	Reding	Tunheim
Greenfield	Koppendrayer	Nelson, S.	Rest	Vanasek

Vellenga	Wejcman	Wenzel	Spk. Long
Wagenius	Welle	Winter	

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

Davids and Swenson moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Pages 65 to 72, delete sections 1 to 4

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Davids and Swenson amendment and the roll was called. There were 34 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Hufnagle	Olsen, S.	Swenson
Anderson, R. H.	Erhardt	Johnson, V.	Pellow	Tompkins
Bauerly	Frerichs	Krambeer	Runbeck	Valento
Bettermann	Girard	Krinkie	Schafer	Waltman
Blatz	Goodno	Lynch	Seaberg	Weaver
Boo	Gutknecht	McPherson	Smith	Welker
Davids	Haukoos	Newinski	Sviggum	

Those who voted in the negative were:

Anderson, I.	Greenfield	Koppendrayer	Ogren	Segal
Anderson, R.	Gruenes	Krueger	Olson, E.	Simoneau
Battaglia	Hanson	Lasley	Olson, K.	Skoglund
Beard	Hartle	Leppik	Omann	Solberg
Begich	Hasskamp	Lieder	Onnen	Sparby
Bertram	Hausman	Limmer	Orenstein	Stanius
Bishop	Henry	Lourey	Orfield	Steensma
Bodahl	Hugoson	Macklin	Ostrom	Thompson
Brown	Jacobs	Mariani	Ozment	Trimble
Carlson	Janezich	Marsh	Pauly	Tunheim
Carruthers	Jaros	McEachern	Pelowski	Uphus
Clark	Jefferson	McGuire	Peterson	Vanasek
Cooper	Jennings	Milbert	Pugh	Vellenga
Dauner	Johnson, A.	Morrison	Reding	Wagenius
Dawkins	Johnson, R.	Munger	Rest	Wejcman
Dorn	Kahn	Murphy	Rice	Welle
Farrell	Kalis	Nelson, K.	Rodosovich	Wenzel
Frederick	Kelso	Nelson, S.	Rukavina	Winter
Garcia	Kinkel	O'Connor	Sarna	Spk. Long

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

Leppik moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 21, delete lines 33 to 36

Page 22, delete lines 1 to 9 and insert:

"Subdivision 1. [ESTABLISHMENT OF PRACTICE PARAMETERS.] The commissioner of health, after receiving the advice and recommendations of the Minnesota health care commission, may through rulemaking under chapter 14 establish medical practice parameters to minimize unnecessary, unproven, or ineffective care. Such rules must be supported by medical literature and appropriate control studies and be recommended by the health care commission.

Subd. 2. [MEDICAL NEGLIGENCE CASES.] (a) In a negligence action against a health care professional, as defined in section 145.61 for malpractice, error, mistake or failure to cure, whether based on contract or tort, adherence to a practice parameter established by the commissioner of health is an absolute defense against an allegation that the health care professional did not comply with the standard of care of practice in the community, except that a failure on the part of a health care professional to properly provide the services established by the practice parameter is not entitled to such defense.

(b) Evidence of a departure from a practice parameter is admissible only on the issue of whether the provider is entitled to an absolute defense under paragraph (a).

(c) Paragraphs (a) and (b) apply to claims arising on or after August 1, 1993, or 90 days after the effective date of rules adopted by the commissioner establishing the applicable practice parameter, whichever is later."

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

Leppik and Hasskamp moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 1, line 14 of the Clark et al amendment, before the period insert ", including one biomedical moral ethicist"

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

Sviggum moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 43, delete lines 6 to 21 and insert:

"Subd. 4. [GEOGRAPHIC PREMIUM VARIATIONS.] A health carrier may request approval by the commissioner to establish no more than three geographic regions and to establish separate index rates for each region, provided that the index rates do not vary between any two regions by more than twenty percent. The commissioner may grant approval if the following conditions are met:

(1) the geographic regions must be applied uniformly by the health carrier;

(2) one geographic region must be based on the Minneapolis/St. Paul metropolitan area;

(3) if one geographic region is rural, the index rate for the rural region must not exceed the index rate for the Minneapolis/St. Paul metropolitan area;

(4) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Kahn; Vellenga; Osthoff; Hausman; Jaros; Bishop; Segal; Munger; Clark; Wagenius; Orenstein; Johnson, A.; Simoneau; Wejcman; Trimble; Leppik and Skoglund moved to amend H. F. No. 2800, the third engrossment, as amended, as follows:

Page 15, after line 3, insert:

"Sec. 7. [RU-486 STUDY.]

The commissioner of health, in consultation with the Minnesota health care commission, shall work to encourage the appropriate federal agencies to study the effectiveness and cost containment

implications of RU-486 as a family planning and birth control alternative and its possible use in treating breast, prostate, and ovarian cancer, brain tumors, endometriosis, and other hormonal diseases. The commissioner shall also encourage the federal Food and Drug Administration to rescind the ban on the importation of RU-486."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

H. F. No. 2800, A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; transferring authority for regulation of health maintenance organizations from the commissioner of health to the commissioner of commerce; giving the commissioner of health certain duties; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, by adding a subdivision; 43A.17, subdivision 9; 43A.316, by adding subdivisions; 60B.03, subdivision 2; 60B.15; 60B.20; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62D.01, subdivision 2; 62D.02, subdivision 3, and by adding a subdivision; 62D.03; 62D.04; 62D.05, subdivision 6; 62D.06, subdivision 2; 62D.07, subdivisions 2, 3, and 10; 62D.08; 62D.09, subdivisions 1 and 8; 62D.10, subdivision 4; 62D.11; 62D.12, subdivisions 1, 2, and 9; 62D.121, subdivisions 2, 3a, 4, 5, and 7; 62D.14; 62D.15; 62D.16; 62D.17; 62D.18; 62D.19; 62D.20, subdivision 1; 62D.21; 62D.211; 62D.22, subdivision 10; 62D.24; and 62D.30, subdivisions 1 and 3; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 9, and by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 144.581, subdivision 1; 144.699, subdivision 2; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; 256B.057, by adding a subdivision; 290.01, subdivision 19b; 290.06, by adding a subdivision; 290.62; and 447.31, subdivisions 1 and 3; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 62D.122; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; 297.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A; 43A; 62A; 62E; 62J; 136A; 137; 144; 214; 256; 256B; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10;

62A.02, subdivisions 4 and 5; 62D.041, subdivision 4; 62D.042, subdivision 3; 62E.51; 62E.52; 62E.53; 62E.54; and 62E.55; Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 76 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Farrell	Krueger	Orenstein	Stanius
Anderson, R.	Frederick	Lasley	Orfield	Steensma
Battaglia	Garcia	Lieder	Osthoff	Thompson
Bauerly	Greenfield	Lourey	Ostrom	Trimble
Beard	Gruenes	Mariani	Peterson	Tunheim
Begich	Hanson	McEachern	Pugh	Vellenga
Bishop	Hasskamp	McGuire	Reding	Wagenius
Bodahl	Hausman	Milbert	Rest	Wejcman
Boo	Jacobs	Munger	Rice	Welle
Carlson	Janezich	Murphy	Rukavina	Wenzel
Carruthers	Jaros	Nelson, K.	Sarna	Winter
Clark	Jefferson	Nelson, S.	Segal	Spk. Long
Cooper	Jennings	O'Connor	Simoneau	
Dawkins	Johnson, A.	Ogren	Skoglund	
Dempsey	Johnson, R.	Olson, E.	Solberg	
Dorn	Kahn	Olson, K.	Sparby	

Those who voted in the negative were:

Abrams	Goodno	Knickerbocker	Olsen, S.	Smith
Anderson, R. H.	Gutknecht	Koppendrayer	Omann	Sviggum
Bertram	Hartle	Krambeer	Onnen	Swenson
Bettermann	Haukoos	Krinkie	Ozment	Tompkins
Blatz	Heir	Leppik	Pauly	Uphus
Brown	Henry	Limmer	Pellow	Valento
Dauner	Hufnagle	Lynch	Pelowski	Vanasek
Davids	Hugoson	Macklin	Rodosovich	Waltman
Dille	Johnson, V.	Marsh	Runbeck	Weaver
Erhardt	Kalis	McPherson	Schafer	Welker
Frerichs	Kelso	Morrison	Schreiber	
Girard	Kinkel	Newinski	Seaberg	

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

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 804, A bill for an act relating to transportation; making

technical and clarifying changes; defining terms; providing for maximum weight per inch of tire width; modifying axle weight limitations; providing for a comprehensive, coordinated public transit system; allowing commissioner of transportation to adopt rules assessing administrative penalties for violations of special transportation service standards; providing for regulation of motor vehicles having a gross vehicle weight of 10,000 pounds or more and operated by motor carriers; requiring certain carriers to comply with rules on driver qualifications and maximum hours of service after August 1, 1994; applying federal regulations on drug testing to intrastate motor carriers; regulating transportation of hazardous materials, substances, and waste; specifying identification information required on power units; authorizing small fee for motor carrier identification stamps; regulating building movers; authorizing release of criminal history data for purposes of special transportation license endorsements; amending Minnesota Statutes 1990, sections 169.825, subdivision 14; 174.23, by adding a subdivision; 174.30, subdivision 2; 221.011, subdivisions 20, 21, 25, and by adding a subdivision; 221.021; 221.031, as amended; 221.033, subdivisions 1, 2, and by adding a subdivision; 221.034, subdivisions 1 and 3; 221.035, subdivisions 1, 2, and by adding a subdivision; 221.121, subdivisions 1 and 7; 221.131, subdivisions 1, 2, and 6; 221.161, subdivision 1; 221.60, subdivision 2; 221.605, subdivision 1; and 221.81, subdivisions 2, 4, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 169.781, subdivisions 1 and 5; 169.825, subdivisions 8 and 10; 169.86, subdivision 5; 221.025; and 364.09; proposing coding for new law in Minnesota Statutes, chapter 221.

Reported the same back with the following amendments:

Page 1, after line 38, insert:

"ARTICLE 1

MOTOR CARRIERS"

Page 13, delete section 7

Page 20, line 9, after "sod," insert "construction debris, and solid waste when transported by a transfer driver,"

Page 38, after line 15, insert:

"Sec. 39. [APPROPRIATION.]

$24,000 is appropriated to the commissioner of transportation from the trunk highway fund for fiscal year 1993. This appropriation is for the cost of rules authorized by this act."

Page 38, line 16, delete "39" and insert "40"

Page 38, line 17, before "Sections" insert "Sections 1 and 2 are effective the day following final enactment."

Page 38, after line 18, insert:

"ARTICLE 2

PERSONAL TRANSPORTATION SERVICES

Section 1. Minnesota Statutes 1990, section 168.011, is amended by adding a subdivision to read:

Subd. 36. [PERSONAL TRANSPORTATION SERVICE VEHICLE.] "Personal transportation service vehicle" is a passenger vehicle that has a seating capacity of up to six persons excluding the driver, or a van or station wagon with a seating capacity of up to 12 persons excluding the driver, that provides personal transportation service as defined in section 221.011, subdivision 33.

Sec. 2. [168.1281] [PERSONAL TRANSPORTATION SERVICE PLATES.]

Subdivision 1. [LICENSE PLATES.] A person who operates a personal transportation service vehicle shall apply to register the vehicle as provided in this section. The registrar shall issue personal transportation service plates on the applicant's compliance with laws relating to registration and licensing of motor vehicles and drivers, and certification by the owner that an insurance policy meeting the requirements of subdivision 2 is in effect for the entire period of registration. The applicant must provide the registrar with proof that the passenger automobile license tax and a $10 fee have been paid for each vehicle receiving personal transportation service license plates. The registrar shall design personal transportation service license plates so that the plates identify the vehicle as a personal transportation service vehicle, and clearly display the letters "LS." Personal transportation service license plates issued to a vehicle may not be transferred to another vehicle, except that they may be transferred to another personal transportation service vehicle owned by the same owner on notification to the registrar and payment of a $5 transfer fee.

Subd. 2. [INSURANCE.] An application under subdivision 1 must include a certificate of insurance that (1) verifies that a valid commercial insurance policy is in effect; and (2) gives the name of the insurance company and the number of the policy. The policy must provide stated limits of liability, exclusive of interest and costs, with respect to each vehicle for which coverage is granted, of (1) not less than $100,000 because of bodily injury to one person in any one

accident; (2) subject to the limit for one person, not less than $300,000 because of injury to two or more persons in any one accident; and (3) not less than $100,000 because of injury to or destruction of property. The insurance company must notify the commissioner if the policy is canceled or if the policy no longer provides the coverage required by this subdivision.

Subd. 3. [NOTIFICATION OF CANCELLATION.] The commissioner shall immediately notify the commissioner of transportation if the policy of a person required to have a permit under section 4 is canceled or no longer provides the coverage required by subdivision 2.

Sec. 3. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 33. [PERSONAL TRANSPORTATION SERVICE.] "Personal transportation service" means service that:

(1) is not provided on a regular route;

(2) is provided in a personal transportation service vehicle as defined in section 168.011, subdivision 36;

(3) is not metered for the purpose of determining fares;

(4) provides prearranged pickup of passengers;

(5) charges more than a taxicab fare for a comparable trip.

Sec. 4. Minnesota Statutes 1991 Supplement, section 221.091, is amended to read:

221.091 [LIMITATIONS.]

No provision in sections 221.011 to 221.291 and 221.84 to 221.85 shall authorize the use by any carrier of any public highway in any city of the first class in violation of any charter provision or ordinance of such city in effect January 1, 1925, unless and except as such charter provisions or ordinance may be repealed after that date; nor shall sections 221.011 to 221.291 and 221.84 to 221.85 be construed as in any manner taking from or curtailing the right of any city to reasonably regulate or control the routing, parking, speed or the safety of operation of a motor vehicle operated by any carrier under the terms of those sections ~~221.011 to 221.291 and 221.84~~, or the general police power of any such city over its highways; nor shall sections 221.011 to 221.291 and 221.84 to 221.85 be construed as abrogating any provision of the charter of any such city requiring certain conditions to be complied with before such carrier can use the highways of such city and such rights and powers

herein stated are hereby expressly reserved and granted to such city; but no such city shall prohibit or deny the use of the public highways within its territorial boundaries by any such carrier for transportation of passengers or property received within its boundaries to destinations beyond such boundaries, or for transportation of passengers or property from points beyond such boundaries to destinations within the same, or for transportation of passengers or property from points beyond such boundaries through such municipality to points beyond the boundaries of such municipality, where such operation is pursuant to a certificate of convenience and necessity issued by the commission or to a permit issued by the commissioner under section 221.84 or 221.85.

Sec. 5. Minnesota Statutes 1991 Supplement, section 221.84, subdivision 2, is amended to read:

Subd. 2. [PERMIT REQUIRED; RULES.] No person may operate a for-hire limousine service without a permit from the commissioner. The commissioner shall adopt rules governing the issuance of permits for for-hire operation of limousines that include:

(1) annual inspections of limousines;

(2) driver qualifications, including requiring a criminal history check of drivers;

(3) insurance requirements ~~in accordance with section 168.128~~;

(4) advertising regulation, including requiring a copy of the permit to be carried in the limousine and use of the words "licensed and insured";

(5) provisions for agreements with political subdivisions for sharing enforcement costs;

(6) issuance of temporary permits and temporary permit fees; and

(7) other requirements deemed necessary by the commissioner.

This section does not apply to limousines operated by persons meeting the definition of private carrier in section 221.011, subdivision 26.

Sec. 6. [221.85] [PERSONAL TRANSPORTATION SERVICE.]

Subdivision 1. [PERMIT REQUIRED; RULES.] No person may provide personal transportation service for hire without having obtained a personal transportation service permit from the commissioner. The commissioner shall adopt rules governing the issuance of

permits and furnishing of personal transportation service. The rules must provide for:

(1) annual inspections of vehicles;

(2) driver qualifications including requiring a criminal history check of drivers;

(3) insurance requirements;

(4) advertising regulations, including requiring a copy of the permit to be carried in the personal transportation service vehicle and the use of the words "licensed and insured";

(5) agreements with political subdivisions for sharing enforcement costs with the state;

(6) issuance of temporary permits and fees therefor; and

(7) other requirements the commissioner deems necessary to carry out the purposes of this section.

Subd. 2. [PENALTIES.] The commissioner may issue an order requiring violations of law, rules, and local ordinances that govern the operation of personal transportation service vehicles to be corrected and assessing monetary penalties of up to $1,000. The commissioner may suspend or revoke a permit for violation of applicable law and rules and, on request of a political subdivision, may immediately suspend a permit for multiple violations of local ordinances. The commissioner shall immediately suspend a permit for failure to maintain required insurance and shall not restore the permit until proof of insurance is provided. A person whose permit is revoked or suspended or who is assessed an administrative penalty may appeal the commissioner's action in a contested case proceeding under chapter 14.

Subd. 3. [PERMITS; DECALS.] (a) The commissioner shall design a distinctive decal to be issued to permit holders under this section. A decal is valid for one year from the date of issuance. No person may provide personal transportation service in a personal transportation service vehicle that does not conspicuously display a decal issued under this subdivision.

(b) From August 1, 1992 to June 30, 1993, the fee for each decal issued under this section is $150. On and after July 1, 1993, the fee for each decal issued under this section is $80. The fee for each permit issued under this section is $150. The commissioner shall deposit all fees under this subdivision in the trunk highway fund.

Sec. 7. [TRANSITION.]

A person providing personal transportation service as defined in section 3, in a personal transportation service vehicle as defined in section 1, on August 1, 1992, may continue to provide personal transportation service in the vehicle without a permit under section 4, subdivision 1, until the effective date of the final rules adopted by the commissioner under that subdivision."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1313, A bill for an act relating to traffic regulations; authorizing the operation of recreational vehicle combinations with certain restrictions; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; and 169.81, by adding a subdivision.

Reported the same back with the following amendments:

Pages 1 and 2, delete sections 2 and 3, and insert:

"Sec. 2. Minnesota Statutes 1990, section 169.86, is amended by adding a subdivision to read:

Subd. 1b. [RECREATIONAL COMBINATION.] The commissioner may issue a single trip permit or annual permit to permit the operation of a recreational vehicle combination on any highway in the state, except a highway where operation is prohibited by the permit. The permit must among other things require that:

(1) the combination not consist of more than three vehicles;

(2) the towing rating of the pickup truck is at least equal to the combined gross weight of all vehicles being towed;

(3) the total length of the combination not exceed 59 feet, and the length of the camper-trailer in the combination does not exceed 26 feet;

(4) the operator of the combination is at least 18 years of age;

(5) the trailers in the combination are connected to the pickup truck and to each other in conformity with section 169.82; and

(6) the trailer carrying a watercraft meets all requirements of law.

The permit may not authorize the combination to be operated within Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county on Mondays through Fridays between the hours of 6:30 a.m. to 9:30 a.m. and 3:30 p.m. to 6:30 p.m.

Sec. 3. Minnesota Statutes 1991 Supplement, section 169.86, subdivision 5, is amended to read:

Subd. 5. [FEES.] The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) $15 for each single trip permit.

(b) $3 for each single trip permit for a recreational vehicle combination.

(c) $36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight, and dimension.

~~(c)~~ (d) $60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) refuse compactor vehicles that carry a gross weight up to but not in excess of 22,000 pounds on a single rear axle and not in excess of 38,000 pounds on a tandem rear axle;

(2) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(3) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;

(4) motor vehicles operating with gross weights authorized under section 169.825, subdivision 11, paragraph (a), clause (3); and

(5) special pulpwood vehicles described in section 169.863.

(e) $15 for an annual permit for a recreational vehicle combination.

~~(d)~~ (f) $120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) mobile cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes;

(4) farm equipment when the movement is not made according to the provisions of section 169.80, subdivision 1, paragraphs (a) to (f);

(5) double-deck buses;

(6) commercial boat hauling.

~~(e)~~ (g) For vehicles which have axle weights exceeding the weight limitations of section 169.825, an additional cost added to the fees listed above. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors

Weight (pounds) exceeding weight limitations on axles	Cost Per Mile For Each Group Of: Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 14 feet or less
0-2,000	.100	.040	.036
2,001-4,000	.124	.050	.044
4,001-6,000	.150	.062	.050
6,001-8,000	Not permitted	.078	.056
8,001-10,000	Not permitted	.094	.070
10,001-12,000	Not permitted	.116	.078
12,001-14,000	Not permitted	.140	.094
14,001-16,000	Not permitted	.168	.106
16,001-18,000	Not permitted	.200	.128
18,001-20,000	Not permitted	Not permitted	.140
20,001-22,000	Not permitted	Not permitted	.168

The amounts added are rounded to the nearest cent for each axle

or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed in addition to the normal permit fee. Miles must be calculated based on the distance already traveled in the state plus the distance from the point of detection to a transportation loading site or unloading site within the state or to the point of exit from the state.

~~(f)~~ (h) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, construction equipment, machinery, and supplies. The fees for the permit are as follows:

Gross Weight (pounds) of vehicle	Annual Permit Fee
90,000 or less	$200
90,001 – 100,000	$300
100,001 – 110,000	$400
110,001 – 120,000	$500
120,001 – 130,000	$600
130,001 – 140,000	$700
140,001 – 145,000	$800

If the gross weight of the vehicle is more than 145,000 pounds the permit fee is determined under paragraph (e).

~~(g)~~ (i) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to $120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect."

Amend the title as follows:

Page 1, line 3, delete "with"

Page 1, line 4, delete "certain restrictions" and insert "by permit"

Page 1, delete line 6 and insert "169.86, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 169.86, subdivision 5."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1985, A bill for an act relating to the environment; providing protection from liability for releases of hazardous substances to persons not otherwise liable who undertake and complete cleanup actions under an approved cleanup plan; providing for submission and approval of cleanup plans and supervision of cleanup by the commissioner of the pollution control agency; authorizing the commissioner of the pollution control agency to issue determinations or enter into agreements with property owners near the source of releases of hazardous substances regarding future cleanup liability; appropriating money; amending Minnesota Statutes 1990, section 115B.17, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 115B.

Reported the same back with the following amendments:

Page 7, line 18, delete ".." and insert "7"

Page 7, line 22, delete "$....." and insert "$545,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2032, A bill for an act relating to highways; providing for resolution of local disapproval of certain county state-aid highway actions; expanding natural preservation routes category and specifying standards and procedures for their construction and reconstruction; providing that part of county state-aid highway fund be apportioned on basis of lane-miles; changing composition of county and municipal state-aid screening boards; increasing the mileage of the municipal state-aid street system; providing for determination of population for eligibility for inclusion in the municipal state-aid street system; making technical changes; amending Minnesota Statutes 1990, sections 160.02, by adding a subdivision; 162.02, subdivisions 8, 10, and by adding a subdivision; 162.07, subdivisions 1, 5, and 6; 162.09, subdivisions 1 and 4; 162.13, subdivision 3; and 162.155; Minnesota Statutes 1991 Supplement, section 162.021, subdivisions 1, 5, and by adding a subdivision.

Reported the same back with the following amendments:

Pages 3 to 5, delete sections 5 to 7

Page 10, line 10, delete "14" and insert "11"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete line 5

Page 1, line 6, delete everything before "providing"

Page 1, line 18, delete everything after "162.155" and insert a period

Page 1, delete lines 19 and 20

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2134, A bill for an act relating to energy; prescribing the method of payment of petroleum tank release cleanup fees; requiring persons who remove basement heating oil storage tanks to remove fill and vent pipes to the outside; changing the inspection fee for petroleum products; imposing a fee on sales of propane; appropriating money to energy and conservation account for programs to improve energy efficiency of residential oil-fired heating plants in low-income households; amending Minnesota Statutes 1990, section 115C.08, subdivision 3; Minnesota Statutes 1991 Supplement, section 239.78; proposing coding for new law in Minnesota Statutes, chapters 116; and 239.

Reported the same back with the following amendments:

Page 2, line 26, delete "PROPANE" and insert "LIQUEFIED PETROLEUM GAS"

Page 2, lines 27 and 29, delete "propane" and insert "liquefied petroleum gas"

Page 2, delete lines 33 and 34

Page 2, line 35, delete everything before "is" and insert "$296,000"

Page 3, line 8, delete "$350,000" and insert "$331,000"

Page 3, line 12, delete everything after "for" and insert "programs administered by the commissioner of public service or the commissioner of jobs and training to improve the energy efficiency of residential liquefied petroleum gas heating equipment in low-income households, and, when necessary, provide weatherization services to the homes."

Page 3, delete lines 13 and 14

Amend the title as follows:

Page 1, line 7, delete "propane" and insert "liquefied petroleum gas"

Page 1, line 9, before "heating" insert "and liquefied petroleum gas"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2349, A bill for an act relating to motor vehicles; allowing registrar to recover the cost of manufacturing and issuing motor vehicle license plates and stickers; crediting fees from the sale of license plates to the highway user tax distribution fund; amending Minnesota Statutes 1990, sections 168.012, by adding a subdivision; 168.042, by adding a subdivision; 168.12, subdivisions 2 and 5; 168.128, by adding a subdivision; and 168.29; Minnesota Statutes 1991 Supplement, section 168.041, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 18, insert:

"Sec. 2. Minnesota Statutes 1991 Supplement, section 168.021, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL PLATES; APPLICATION.] (a) When a motor vehicle registered under section 168.017, a motorcycle, or a self-propelled recreational vehicle is owned or primarily operated by a permanently physically disabled person or a custodial parent or guardian of a permanently physically disabled minor, the owner may apply for and secure from the registrar of motor vehicles (1) in the case of a motorcycle, one license plate with attached emblems, to be attached to the rear of the vehicle, or (2) in the case of any other vehicle, two license plates with attached emblems, one plate to be attached to the front, and one to the rear of the vehicle. Application for the plates must be made at the time of renewal or first application for registration. When the owner first applies for the plates, the owner must submit a physician's statement on a form developed by the commissioner under section 169.345, or proof of physical disability provided for in that section.

(b) The owner of a motor vehicle may apply for and secure a set of special plates for a motor vehicle if:

(1) the owner employs a permanently physically disabled person who would qualify for special plates under this section; and

(2) the owner furnishes the motor vehicle to the physically disabled person for the exclusive use of that person in the course of employment.

(c) The registrar may not refuse to issue a license plate under this section for a motorcycle to a person who qualifies for the license plate, solely on the grounds that the registrar has issued license plates under this section to the person for another motor vehicle.

Sec. 3. Minnesota Statutes 1990, section 168.021, subdivision 2a, is amended to read:

Subd. 2a. [PLATE RETURNS, TRANSFERS.] (a) When vehicle ownership is transferred, the owner of the vehicle shall remove the special plates from the vehicle and return them to the registrar. The buyer of the vehicle shall repay the $1 credit for each month remaining in the registration period for which the special plates were issued. On returning the plates and repaying the remaining credit, the buyer is entitled to receive regular plates for the vehicle without further cost for the rest of the registration period.

(b) Notwithstanding section 168.12, subdivision 1, the special plates may be transferred to a replacement motor vehicle on notification to the registrar. However, the special plates may not be transferred unless the replacement motor vehicle (1) is registered under section 168.017, is a motorcycle, or is a self-propelled recreational vehicle, and (2) is owned or primarily operated by the permanently physically disabled person.

(c) The transferor shall not receive the $1 credit for each month the replacement vehicle is registered until the time of renewal or first application for registration on the replacement vehicle."

Page 2, after line 2, insert:

"Sec. 6. Minnesota Statutes 1991 Supplement, section 168.10, subdivision 1b, is amended to read:

Subd. 1b. [COLLECTOR'S VEHICLE, CLASSIC CAR LICENSE.] Any motor vehicle manufactured between and including the years 1925 and 1948, and designated by the registrar of motor vehicles as a classic car because of its fine design, high engineering standards, and superior workmanship, and owned and operated solely as a collector's item shall be listed for taxation and registration as follows: An affidavit shall be executed stating the name and address of the owner, the name and address of the person from whom purchased, the make of the motor vehicle, year and number of the model, the manufacturer's identification number and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. If the registrar is satisfied that the affidavit is true and correct and that the motor vehicle qualifies to be classified as a classic car, and the owner pays a $25 tax, the registrar shall list such vehicle for taxation and registration and shall issue number plates.

The number plates so issued shall bear the inscription "Classic Car," "Minnesota," and the registration number or other combination of characters authorized under section 168.12, subdivision 2a, but no date. The number plates are valid without renewal as long as the vehicle is in existence and shall be issued for the applicant's use only for such vehicle. The registrar has the power to revoke said plates for failure to comply with this subdivision.

The following cars built between and including 1925 and 1948 are classic:

A.C.	
Adler	
Alfa Romeo	
Alvis	Speed 20, 25, and 4.3 litre.
Amilcar	
Aston Martin	
Auburn	All 8-cylinder and 12-cylinder models.
Audi Austro-Daimler	
Avions Voisin 12	
Bentley	
Blackhawk	
B.M.W.	Models 327, 328, and 335 only.
Brewster	
(Heart-front Ford)	

Bugatti	
Buick	1931 through 1942: series 90 only.
Cadillac	All 1925 through 1935. All 12's and 16's. 1936-1948: Series 63, 64, 67, 70, 72, 75, 80, 85 and 90 only. ~~1938-1941~~ 1938-1947: 60 special only. 1940-1947: All 62 Series.
Chrysler	1926 through 1930: Imperial 80. 1929: Imperial L. ~~1931: Imperial 8 Series CG.~~ ~~1932: Series CG, CH and CL.~~ ~~1933: Series CL.~~ ~~1934: Series CW.~~ ~~1935: Series CW.~~ 1931 through 1937: Imperial Series CG, CH, CL, and CW. All Newports and Thunderbolts. 1934 CX. 1935 C-3. 1936 C-11. 1937 through 1948: Custom Imperial, Crown Imperial Series C-15, C-20, C-24, C-27, C-33, C-37, and C-40.
Cord	
Cunningham	
Dagmar	Model 25-70 only.
Daimler	
Delage	
Delahaye	
Doble	
Dorris	
Duesenberg	
du Pont	
Franklin	All models except 1933-34 Olympic Sixes.
Frazer Nash	
Graham	1930-1931: Series 137.
Graham-Paige	1929-1930: Series 837.
Hispano Suiza	
Horch	
Hotchkiss	
Invicta	
Isotta Fraschini	
Jaguar	
Jordan	Speedway Series 'Z' only.
Kissel	1925, 1926 and 1927: Model 8-75. 1928: Model 8-90, and 8-90 White Eagle. 1929: Model 8-126, and 8-90 White Eagle.

	1930: Model 8-126.
	1931: Model 8-126.
Lagonda	
Lancia	
La Salle	1927 through 1933 only.
Lincoln	All models K, L, KA, and KB.
	1941: Model 168H.
	1942: Model 268H.
Lincoln Continental	1939 through 1948.
Locomobile	All models 48 and 90.
	1927: Model 8-80.
	1928: Model 8-80.
	1929: Models 8-80 and 8-88.
Marmon	All 16-cylinder models.
	1925: Model 74.
	1926: Model 74.
	1927: Model 75.
	1928: Model E75.
	1930: Big 8 model.
	1931: Model 88, and Big 8.
Maybach	
McFarlan	
Mercedes Benz	All models 2.2 litres and up.
Mercer	
M.G.	6-cylinder models only.
Minerva	
Nash	1931: Series 8-90.
	1932: Series 9-90, Advanced 8, and Ambassador 8.
	1933-1934: Ambassador 8.
Packard	1925 through 1934: All models.
	1935 through 1942: Models 1200, 1201, 1202, 1203, 1204, 1205, 1207, 1208, 1400, 1401, 1402, 1403, 1404, 1405, 1407, 1408, 1500, 1501, 1502, 1506, 1507, 1508, 1603, 1604, 1605, 1607, 1608, 1705, 1707, 1708, 1806, 1807, 1808, 1906, 1907, 1908, 2006, 2007, and 2008 only.
	1946 and 1947: Models 2106 and 2126 only.
Peerless	1926 through 1928: Series 69.
	1930-1931: Custom 8.
	1932: Deluxe Custom 8.
Pierce Arrow	
Railton	
Renault	Grand Sport model only.
Reo	1930-1931: Royale Custom 8, and Series 8-35 and 8-52 Elite 8.
	1933: Royale Custom 8.
Revere	

Roamer	1925: Series 8-88, 6-54e, and 4-75. 1926: Series 4-75e, and 8-88. 1927-1928: Series 8-88. 1929: Series 8-88, and 8-125. 1930: Series 8-125.
Rohr	
Rolls Royce	
Ruxton	
Salmson	
Squire	
Stearns Knight	
Stevens Duryea	
Steyr	
Studebaker	1929-1933: President, except model 82.
Stutz	
Sunbeam	
Talbot	
Triumph	Dolomite 8 and Gloria 6.
Vauxhall	Series 25-70 and 30-98 only.
Voisin	
Wills Saint Claire	

No commercial vehicles such as hearses, ambulances, or trucks are considered to be classic cars."

Page 4, after line 3, insert:

"Sec. 10. Minnesota Statutes 1990, section 168.187, subdivision 17, is amended to read:

Subd. 17. [TRIP PERMITS.] ~~The commission may,~~ Subject to agreements or arrangements made or entered into pursuant to subdivision 7, the commissioner may issue trip permits for use of Minnesota highways by individual vehicles, on an occasional basis, for periods not to exceed 120 hours in compliance with rules promulgated pursuant to subdivision 23 and upon payment of a fee of $15.

Sec. 11. Minnesota Statutes 1990, section 168.187, subdivision 26, is amended to read:

Subd. 26. [DELINQUENT FILING OR PAYMENT.] If a fleet owner licensed under this section and section ~~296.17, subdivision 9a~~ 3, is delinquent in either ~~the~~ filing or ~~payment of~~ paying the international fuel tax agreement reports for more than 30 days, or ~~the payment of~~ paying the international registration plan billing for more than 30 days, the fleet owner, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.

Sec. 12. [296.171] [FUEL TAX COMPACTS.]

Subdivision 1. [AUTHORITY.] The commissioner of public safety has the powers granted to the commissioner of revenue under section 296.17. The commissioner of public safety may enter into an agreement or arrangement with the duly authorized representative of another state or make an independent declaration, granting to owners of vehicles properly registered or licensed in another state, benefits, privileges, and exemptions from paying, wholly or partially, fuel taxes, fees, or other charges imposed for operating the vehicles under the laws of Minnesota. The agreement, arrangement, or declaration may impose terms and conditions not inconsistent with Minnesota laws.

Subd. 2. [RECIPROCAL PRIVILEGES AND TREATMENT.] An agreement or arrangement must be in writing and provide that when a vehicle properly licensed for fuel in Minnesota is operated on highways of the other state, it must receive exemptions, benefits, and privileges of a similar kind or to a similar degree as are extended to a vehicle properly licensed for fuel in that state, when operated in Minnesota. A declaration must be in writing and must contemplate and provide for mutual benefits, reciprocal privileges, or equitable treatment of the owner of a vehicle registered for fuel in Minnesota and the other state. In the judgment of the commissioner of public safety, an agreement, arrangement, or declaration must be in the best interest of Minnesota and its citizens and must be fair and equitable regarding the benefits that the agreement brings to the economy of Minnesota.

Subd. 3. [COMPLIANCE WITH MINNESOTA LAWS.] Agreements, arrangements, and declarations made under authority of this section must contain a provision specifying that no fuel license, or exemption issued or accruing under the license, excuses the operator or owner of a vehicle from compliance with Minnesota laws.

Subd. 4. [EXCHANGES OF INFORMATION.] The commissioner of public safety may make arrangements or agreements with other states to exchange information for audit and enforcement activities in connection with fuel tax licensing. The filing of fuel tax returns under this section is subject to the rights, terms, and conditions granted or contained in the applicable agreement or arrangement made by the commissioner under the authority of this section.

Subd. 5. [BASE STATE FUEL COMPACT.] The commissioner of public safety may ratify and effectuate the international fuel tax agreement or other fuel tax agreement. The commissioner's authority includes, but is not limited to, collecting fuel taxes due, issuing fuel licenses, issuing refunds, conducting audits, assessing penalties and interest, issuing fuel trip permits, issuing decals, and suspending or denying licensing.

Subd. 6. [MINNESOTA-BASED INTERSTATE CARRIERS.] Notwithstanding the exemption contained in section 296.17, subdivision 9, as the commissioner of public safety enters into interstate fuel tax compacts requiring base state licensing and filing and eliminating filing in the nonresident compact states, the Minnesota-based motor vehicles registered under section 168.187 will be required to license under the fuel tax compact in Minnesota.

Subd. 7. [DELINQUENT FILING OR PAYMENT.] If a fleet owner licensed under this section is delinquent in either filing or paying the international fuel tax agreement reports for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the fleet owner, after ten days written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.

Subd. 8. [TRANSFERRING FUNDS TO PAY DELINQUENT FEES.] If a fleet owner licensed under this section is delinquent in either filing or paying the international fuel tax agreement reports for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the commissioner may authorize any credit in either the international fuel tax agreement account or the international registration plan account to be used to offset the liability in either the international registration plan account or the international fuel tax agreement account.

Subd. 9. [FUEL COMPACT FEES.] License fees paid to the commissioner of public safety under the international fuel tax agreement must be deposited in the highway user tax distribution fund. The commissioner shall charge the fuel license fee of $30 established under section 296.17, subdivision 10, in annual installments of $15 and an annual application filing fee of $13 for quarterly reporting of fuel tax.

Subd. 10. [FUEL DECAL FEES.] The commissioner of public safety may issue and require the display of a decal or other identification to show compliance with subdivision 5. The commissioner may charge a fee to cover the cost of issuing the decal or other identification. Decal fees paid to the commissioner under this subdivision must be deposited in the highway user tax distribution fund."

Page 4, after line 29, insert:

"Sec. 14. [REPEALER.]

Minnesota Statutes 1990, section 296.17, subdivision 9a, is repealed."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 4, after the semicolon insert "modifying provisions for motorcycle license plates;"

Page 1, line 6, after the semicolon insert "changing requirements for classic car licenses; authorizing fuel tax compacts;"

Page 1, line 7, after the semicolon insert "168.021, subdivision 2a;"

Page 1, line 9, after "subdivision;" insert "168.187, subdivisions 17 and 26;"

Page 1, line 10, delete "section" and insert "sections 168.021, subdivision 1;"

Page 1, line 11, after "subdivision" insert "; and 168.10, subdivision 1b; proposing coding in Minnesota Statutes, chapter 296; repealing Minnesota Statutes 1990, section 296.17, subdivision 9a"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2368, A bill for an act relating to motor carriers; providing for the expiration of certificates and permits as regular and irregular route carriers of property, and for their conversion to class I certificates and class II permits; specifying operating authority granted by each class; restricting transfer of certain operating authority; prohibiting the lease of class I certificates and class II permits; specifying service that may be offered by courier service carriers; redefining the local cartage zone; increasing registration fees for vehicles of motor carriers; appropriating money; amending Minnesota Statutes 1990, sections 168.013, subdivision 1e; 221.011, subdivisions 7, 8, 9, 14, 25, 28, and by adding subdivisions; 221.036, subdivision 1; 221.041; 221.051; 221.061; 221.071, subdivision 1; 221.081; 221.111; 221.121, subdivisions 1, 6, 6a, and by adding subdivisions; 221.131, subdivisions 2 and 3; 221.141, subdivision 4; and 221.151, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, section 221.011, subdivisions 11 and 17.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 221.011, subdivision 7, is amended to read:

Subd. 7. "Certificate" means the certificate of public convenience and necessity ~~which may be~~ issued under ~~the provisions of sections 221.011 to 221.291~~ section 221.071 to a regular route common carrier of passengers, a class I motor carrier, or a petroleum carrier.

Sec. 2. Minnesota Statutes 1990, section 221.011, subdivision 8, is amended to read:

Subd. 8. "Permit" means the license, or franchise, which may be issued to motor carriers other than regular route common carriers of passengers, class I common carriers, and petroleum carriers, under the provisions of this chapter, authorizing the use of the highways of Minnesota for transportation for hire.

Sec. 3. Minnesota Statutes 1990, section 221.011, subdivision 9, is amended to read:

Subd. 9. "Regular route common carrier" means a person who holds out to the public as willing, for hire, to transport passengers ~~or property~~ by motor vehicle between fixed termini over a regular route upon the public highways.

Sec. 4. Minnesota Statutes 1990, section 221.011, subdivision 14, is amended to read:

Subd. 14. "Permit carrier" means a motor carrier embraced within this chapter other than regular route common carriers of passengers, class I carriers, and petroleum carriers.

Sec. 5. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 33. [TRUCKLOAD FREIGHT.] "Truckload freight" means freight collected by a motor carrier (1) from one consignor at a single place and delivered directly to one or more consignees at a place or places under the consignees' control, or (2) from one or more consignors and delivered directly to one consignee at a place under the consignee's control.

Sec. 6. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 34. [LESS-THAN-TRUCKLOAD FREIGHT.] "Less-than-truckload freight" means freight carried by a motor carrier that is not truckload freight.

Sec. 7. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 35. [CERTIFICATED CARRIER.] "Certificated carrier" means a motor carrier holding a certificate issued under section 221.071.

Sec. 8. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 36. [CLASS I CARRIER.] "Class I carrier" means a person who has been issued a certificate under section 221.071 to operate as a class I carrier.

Sec. 9. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 37. [CLASS II CARRIER.] "Class II carrier" means a person who has been issued a permit under section 221.121, subdivisions 6c to 6e, to operate as a class II carrier. Class II carrier includes persons who have been issued either a class II-T or class II-L permit, or both.

Sec. 10. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 38. [TERMINAL.] "Terminal" means (1) a facility that a motor carrier owns, leases, or otherwise controls, and uses to load, unload, dispense, receive, interchange, gather, or otherwise physically handle freight for shipment, or (2) any other location at which freight is exchanged by motor carriers between vehicles. Terminal does not mean a public warehouse with a storage capacity of at least 5,000 square feet that was licensed under chapter 231 on or before March 1, 1992.

Sec. 11. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 39. [TEMPERATURE-CONTROLLED COMMODITY.] "Temperature-controlled commodity" means a commodity requiring protection from heat or cold that is transported with or without other commodities, provided that all such commodities move in mechanically temperature controlled vehicles.

Sec. 12. Minnesota Statutes 1990, section 221.036, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO ISSUE PENALTY ORDERS.] The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of (1) section 221.021; (2) section 221.035; (3) section

221.041, subdivision 3; (4) section 221.081; (5) section 221.151; (6) section 221.171, ~~of~~ a material term or condition of a license issued under that section ~~221.035,~~ or ~~of~~ a rule or order of the commissioner relating to the transportation of hazardous waste. An order must be issued as provided in this section.

Sec. 13. Minnesota Statutes 1990, section 221.041, is amended to read:

221.041 [RATE-MAKING POWERS.]

Subdivision 1. [CONSIDERATIONS; PROCEDURES.] The board shall fix and establish just, reasonable, and nondiscriminatory rates, fares, charges, and the rules and classifications incident to tariffs for ~~regular route common carriers and petroleum~~ certificated carriers. In prescribing rates, fares, charges, classifications, and rules for the carrying of freight, persons, or property, the board shall take into consideration the effect of the proposed rates or fares upon the users of the service and upon competitive carriers by motor vehicle and rail and, insofar as possible, avoid rates and fares which will result in unreasonable and destructive competition. In making its determination, the board shall consider, among other things, the cost of the service rendered by the carrier, including an adequate sum for maintenance and depreciation, and an adequate operating ratio under honest, economical, and efficient management. No rate or fares may be put into effect or changed or altered except upon hearing duly had and an order therefor by the board, or except as herein otherwise provided. The board may authorize rate changes ex parte which, in its opinion, are not of sufficient import to require a hearing. In an emergency, the board may order a change in existing rates or fares without a hearing. In instances of ex parte or emergency orders, the board shall, within five days, serve a copy of its order granting the change in rates upon parties which the board deems interested in the matter, including competing carriers. An interested party shall have 30 days from the date of the issuance of the order to object to the order. If objection is made, the board shall determine whether a hearing is necessary for resolution of the material issues relating to the proposed change in rates. On finding that a hearing is unnecessary for this purpose, the board, no sooner than 30 days after issuing its initial order granting the change in rates, may enter an order finally disposing of the rate change application. On determining otherwise, the board may take final action on the rate change application and the objections to it only after a contested case hearing has been conducted under chapter 14.

Subd. 2. [FILING.] A ~~regular route common carrier and a petroleum~~ certificated carrier, upon approval by the board of its rates, fares, charges, and rules and classifications incident to tariffs shall file its rates, fares, charges, and tariffs with the commissioner. Filings must be prepared and filed in the manner prescribed by the commissioner. The commissioner may not accept for filing rates,

fares, charges, and tariffs which have not been approved by the board.

Subd. 3. [PROHIBITIONS; COMPENSATION AND TIME SCHEDULES.] No ~~regular route common carrier or petroleum~~ certificated carrier may charge or receive a greater or less or different compensation for the transportation of passengers or property or for service in connection therewith than the rates, fares, and charges and the rules and classifications governing the same which have been duly approved therefor by order of the board; ~~nor may~~. A ~~regular route common carrier or petroleum~~ certificated carrier may not refund or remit in any manner or by any device a portion of those rates, fares, and charges required to be collected under the board's order; nor extend to a shipper or person a privilege or facilities in connection with the transportation of passengers or property except as are authorized under the order of the board. No passenger-carrying regular route common carrier may alter or change its time schedules except upon order of the board. The order may be issued ex parte unless the board decides that the public interest requires that a hearing be ~~had thereon~~ held.

Subd. 4. [NONAPPLICABILITY.] This section does not apply to any regular-route passenger transportation being performed with operating assistance provided by the regional transit board.

Sec. 14. Minnesota Statutes 1990, section 221.051, is amended to read:

221.051 [ABANDONMENT OR DISCONTINUANCE OF SERVICE.]

No regular route common carrier ~~shall~~ of passengers or class I carrier may abandon or discontinue any service required under its certificate without an order of the board therefor, except in cases of emergency or conditions beyond its control.

A passenger regular route common carrier may depart from the route over which it is authorized to operate for the purpose of transporting chartered or excursion parties to any point in the state of Minnesota on such terms and conditions as the board may prescribe.

Sec. 15. Minnesota Statutes 1990, section 221.061, is amended to read:

221.061 [OPERATION CERTIFICATE FOR REGULAR ROUTE COMMON CARRIER OR PETROLEUM CARRIER.]

A person desiring a certificate authorizing operation as a regular route common carrier of passengers, a class I carrier, or petroleum

carrier, or an extension of or amendment to that certificate, shall file a petition with the commissioner which must contain information as the board and commissioner, by rule may prescribe.

Upon the filing of a petition for a certificate, the petitioner shall pay to the commissioner as a fee for issuing the certificate the sum of $300 and for a transfer or lease of the certificate the sum of $300.

The petition must be processed as any other petition. The board shall cause a copy and a notice of hearing thereon to be served upon a competing carrier operating into a city located on the proposed route of the petitioner and to other persons or bodies politic which the board deems interested in the petition. A competing carrier and other persons or bodies politic are hereby declared to be interested parties to the proceedings.

If, during the hearing, an amendment to the petition is proposed which appears to be in the public interest, the board may allow it when the issues and the territory are not unduly broadened by the amendment.

Sec. 16. Minnesota Statutes 1990, section 221.071, subdivision 1, is amended to read:

Subdivision 1. [CONSIDERATIONS; TEMPORARY CERTIFICATES; AMENDING.] If the board finds from the evidence that the petitioner is fit and able to properly perform the services proposed and that public convenience and necessity require the granting of the petition or a part of the petition, it shall issue a certificate of public convenience and necessity to the petitioner. In determining whether a certificate should be issued, the board shall give primary consideration to the interests of the public that might be affected, to the transportation service being furnished by a railroad which may be affected by the granting of the certificate, and to the effect which the granting of the certificate will have upon other transportation service essential to the communities which might be affected by the granting of the certificate. The board may issue a certificate as applied for or issue it for a part only of the authority sought and may attach to the authority granted terms and conditions as in its judgment public convenience and necessity may require. If the petitioner is seeking authority to operate regular-route transit service wholly within the seven-county metropolitan area with operating assistance provided by the regional transit board, the board shall consider only whether the petitioner is fit and able to perform the proposed service. The operating authority granted to such a petitioner must be the operating authority for which the petitioner is receiving operating assistance from the regional transit board. A carrier receiving operating assistance from the regional transit board may amend the certificate to provide for additional routes by filing a copy of the amendment with the board, and approval of the amendment by the board is not required if the

additional service is provided with operating assistance from the regional transit board.

The board may grant a temporary certificate, ex parte, valid for a period not exceeding 180 days, upon a showing that no regular route common carrier or petroleum carrier is then authorized to serve on the route sought, that no other petition is on file with the board covering the route, and that a need for the proposed service exists.

A certificate ~~issued to a regular route common carrier or petroleum carrier~~ may be amended by the board on ex parte petition and payment of a $25 fee to the commissioner, to grant an additional or alternate route if there is no other means of transportation over the proposed additional route or between its termini, and the proposed additional route does not exceed ten miles in length.

Sec. 17. [221.072] [CLASS I CARRIERS.]

Subdivision 1. [AUTHORITY.] The board may issue a class I certificate only to a motor carrier who owns, leases, or otherwise controls more than one terminal. Except as provided in subdivision 2, a motor carrier may not own, operate, or otherwise control more than one terminal without having obtained a class I certificate from the board. For purposes of this section, utilization of a local cartage carrier by a class I carrier constitutes ownership, lease, or control of a terminal.

Subd. 2. [EXCEPTIONS.] This section does not apply to any carrier listed in section 221.111, clauses (3) to (9).

Subd. 3. [OPERATION.] A class I certificate authorizes the certificate holder to transport both truckload and less-than-truckload freight to and from points named in the certificate, over routes described in the certificate. A holder of a class I certificate may transfer freight to and from another class I carrier.

Sec. 18. Minnesota Statutes 1990, section 221.111, is amended to read:

221.111 [PERMITS TO OTHER MOTOR CARRIERS.]

Motor carriers other than ~~regular route common carriers, petroleum~~ certificated carriers~~,~~ and local cartage carriers~~,~~ shall obtain a permit in accordance with section 221.121~~, including irregular route carriers, livestock carriers, contract carriers, charter carriers, and courier service carriers~~. The board shall issue only the following kinds of permits:

(1) class II-T permits;

(2) class II-L permits;

(3) livestock carrier permits;

(4) contract carrier permits;

(5) charter carrier permits;

(6) courier service carrier permits;

(7) local cartage carrier permits;

(8) household goods mover permits; and

(9) temperature-controlled commodities permits.

Sec. 19. Minnesota Statutes 1990, section 221.121, subdivision 1, is amended to read:

Subdivision 1. [PERMIT CARRIERS.] (a) A person desiring to operate as a permit carrier, except as ~~a livestock carrier, or a local cartage carrier~~ provided in subdivision 5 or section 221.296, shall file a petition with the commissioner specifying the kind of permit desired, the name and address of the petitioner and the names and addresses of the officers, if a corporation, and other information as the board and commissioner may require. The board, after notice to interested parties and a hearing, shall issue the permit upon compliance with the laws and rules relating to it, if it finds that petitioner is fit and able to conduct the proposed operations, that petitioner's vehicles meet the safety standards established by the department, that the area to be served has a need for the transportation services requested in the petition, and that existing permit and certificated carriers in the area to be served have failed to demonstrate that they offer sufficient transportation services to meet fully and adequately those needs, provided that no person who holds a permit at the time sections 221.011 to 221.291 take effect may be denied a renewal of the permit upon compliance with other provisions of sections 221.011 to 221.291. A permit once granted continues in full force and effect until abandoned or unless suspended or revoked, subject to compliance by the permit holder with the applicable provisions of law and the rules of the commissioner or board governing permit carriers. No permit may be issued to a common carrier by rail permitting the common carrier to operate trucks for hire within this state, nor may a common carrier by rail be permitted to own, lease, operate, control, or have an interest in a permit carrier by truck, either by stock ownership or otherwise, directly, indirectly, through a holding company, or by stockholders or directors in common, or in any other manner. Nothing in sections 221.011 to 221.291 prevents the board from issuing a permit to a common carrier by rail authorizing the carrier to operate trucks

wholly within the limits of a municipality or within adjacent or contiguous municipalities or a common rate point served by the railroad and only as a service supplementary to the rail service now established by the carriers.

Sec. 20. Minnesota Statutes 1990, section 221.121, subdivision 4, is amended to read:

Subd. 4. [EXTENSIONS OF AUTHORITY.] The board may grant extensions of authority ex parte after due notice of a petition has been published. A party desiring to protest the petition shall file its protest by mail or in person within 20 days of the date of notice, except that no protest may be filed against an application submitted under subdivision 6f. If a timely filed protest is received, the matter must be placed on the calendar for hearing. If a timely protest is not received, the board may issue its order ex parte.

Sec. 21. Minnesota Statutes 1990, section 221.121, subdivision 6a, is amended to read:

Subd. 6a. [HOUSEHOLD GOODS CARRIER.] A person who desires to hold out or to operate as a carrier of household goods shall follow the procedure established in subdivision 1, and shall specifically request ~~an irregular route common carrier~~ a household goods mover permit ~~with authority to transport household goods~~. The permit granted by the board to a person who meets the criteria established in this subdivision and subdivision 1 shall authorize the person to hold out and to operate as ~~an irregular route common carrier of~~ a household goods mover. A person who provides or offers to provide household goods packing services and who makes any arrangement directly or indirectly by lease, rental, referral, or by other means to provide or to obtain drivers, vehicles, or transportation service for moving household goods, must have ~~an irregular route common carrier permit with authority to transport~~ a household goods mover permit.

Sec. 22. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6c. [CLASS II CARRIERS.] A person desiring to operate as a permit carrier, other than as a carrier listed in section 221.111, clauses (3) to (9), shall follow the procedure established in subdivision 1 and shall specify in the petition whether the person is seeking a class II-T or class II-L permit. If the person meets the criteria established in subdivision 1, the board shall grant the class II-T or class II-L permit or both. A class II permit holder may not own, lease, or otherwise control more than one terminal. The board may not issue a class II permit to a motor carrier who owns, leases, or otherwise controls more than one terminal. For purposes of this section: (1) utilization of a local cartage carrier by a class II carrier constitutes ownership, lease, or control of a terminal; and (2)

terminal does not include a terminal used by a permit holder who also holds a class I certificate, household goods permit, or temperature-controlled commodities permit for the unloading, docking, handling, and storage of freight transported under the certificate, household goods permit, or temperature-controlled commodities permit.

Sec. 23. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6d. [TEMPERATURE-CONTROLLED COMMODITIES CARRIERS.] A person who desires to hold out or to operate as a carrier of temperature-controlled commodities shall follow the procedure established in subdivision 1 and shall specifically request a temperature-controlled commodities permit. The permit granted by the board to a person who meets the criteria established in subdivision 1 shall authorize the person to hold out and to operate as a carrier of temperature-controlled commodities.

Sec. 24. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6e. [CLASS II-T PERMITS.] A holder of a class II-T permit may transport truckload freight to and from any point named in the permit without restriction as to routes, schedules, or frequency of service.

Sec. 25. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6f. [CLASS II-L PERMITS.] (a) A motor carrier with a class II-L permit may transport less-than-truckload freight as provided in this subdivision.

(b) A motor carrier with a class II-L permit may transport less-than-truckload freight to and from any point named in the permit, without restriction as to routes, schedules, or frequency of service.

(c) A motor carrier with a class II-L permit may transport less-than-truckload freight to and from points within the geographic area the carrier was authorized to serve on December 31, 1992, that were not listed in the carrier's permit. Service by a carrier under this paragraph may be provided no more often than on 24 days in a 12-month period.

(d) A motor carrier described in paragraph (c) may amend the carrier's permit to add points within the geographic area the carrier was authorized to serve on December 31, 1992. The carrier must submit to the commissioner an application on a form provided by the

commissioner. The application must name the points proposed to be served and include evidence of need for the proposed service. The commissioner shall transmit the application to the board. The board shall publish notice of the application in the board's next weekly calendar. Failure by the board to deny the application within ten days after the date of publication in the calendar constitutes approval of the application.

Sec. 26. Minnesota Statutes 1990, section 221.131, subdivision 2, is amended to read:

Subd. 2. [PERMIT CARRIERS; ANNUAL VEHICLE REGISTRATION.] The permit holder shall pay an annual registration fee of ~~$20~~ $40 on each vehicle, including pickup and delivery vehicles, operated by the holder under authority of the permit during the 12-month period or fraction of the 12-month period. Trailers and semitrailers used by a permit holder in combination with power units may not be counted as vehicles in the computation of fees under this section if the permit holder pays the fees for power units. The commissioner shall furnish a distinguishing annual identification card for each vehicle or power unit for which a fee has been paid. The identification card must at all times be carried in the vehicle or power unit to which it has been assigned. An identification card may be reassigned to another vehicle or power unit upon application of the permit holder and a transfer fee of $10. An identification card issued under the provisions of this section is valid only for the period for which the permit is effective. The name and residence of the permit holder must be stenciled or otherwise shown on the outside of both doors of each registered vehicle operated under the permit. A fee of $10 is charged for the replacement of an unexpired identification card that has been lost or damaged. The total annual registration fee per vehicle for class II-T, class II-L, household goods mover and temperature-controlled commodities, or any combination thereof, may not exceed $40.

Sec. 27. Minnesota Statutes 1990, section 221.131, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATE CARRIERS; ANNUAL VEHICLE REGISTRATION.] ~~Regular route common carriers and petroleum~~ Certificated carriers~~, operating under sections 221.011 to 221.291,~~ shall ~~annually~~ pay ~~into the treasury of the state of Minnesota~~ an annual registration fee of ~~$20~~ $40 for each vehicle, including pickup and delivery vehicles, operated during a calendar year. The commissioner shall issue distinguishing identification cards as provided in subdivision 2.

Sec. 28. Minnesota Statutes 1990, section 221.141, subdivision 4, is amended to read:

Subd. 4. [~~IRREGULAR ROUTE CARRIERS OF~~ HOUSEHOLD

GOODS MOVERS.] ~~An irregular route common carrier of~~ A household goods mover shall maintain in effect cargo insurance or cargo bond in the amount of $50,000 and shall file with the commissioner a cargo certificate of insurance or cargo bond. A cargo certificate of insurance must conform to Form H, Uniform Motor Cargo Certificate of Insurance, described in Code of Federal Regulations, title 49, part 1023. A cargo bond must conform to Form J, described in Code of Federal Regulations, title 49, part 1023. Both Form H and Form J are incorporated by reference. The cargo certificate of insurance or cargo bond must be issued in the full and correct name of the person, corporation, or partnership to whom the ~~irregular route common carrier of~~ household goods mover permit was issued and whose operations are being insured. ~~A carrier that was issued a permit as an irregular route common carrier of household goods before August 1, 1989, shall obtain and file a cargo certificate of insurance or bond within 90 days of August 1, 1989.~~

Sec. 29. Minnesota Statutes 1990, section 221.151, is amended by adding a subdivision to read:

Subd. 3. [TRANSFER OF CERTAIN AUTHORITY.] Operating authority described in section 25, paragraph (c), that has not been added to the motor carrier's permit under section 25, paragraph (d), may not be transferred to any person except a member of the transferor's immediate family as defined in subdivision 2.

Sec. 30. [221.152] [CONVERSION OF PERMITS.]

Subdivision 1. [EXPIRATION OF OPERATING AUTHORITY.] Except as provided in subdivision 3, paragraph (c), the following certificates and permits in effect on January 1, 1993, and all operating authority granted by those certificates and permits, expire on January 1, 1993:

(1) all certificates authorizing operation as a regular route common carrier of property, other than petroleum carrier certificates; and

(2) all permits authorizing operation as an irregular route common carrier, except those carriers listed in section 221.111, clauses (3) to (9).

Subd. 2. [CONVERSION.] All holders of certificates and permits that expire on January 1, 1993, under subdivision 1, who wish to continue providing the service authorized by those certificates and permits, must convert the certificates and permits into class I or class II certificates or permits by that date.

Subd. 3. [ISSUANCE OF NEW CERTIFICATES AND PERMITS.] (a) By September 1, 1992, a motor carrier described in subdivision 2

must submit to the commissioner an application for conversion. The application must be on a form prescribed by the commissioner and must be accompanied by an application fee of $50. The application must state: (1) the name and address of the applicant; (2) the identifying number of the expiring certificates or permits the applicant wishes to convert; and (3) other information the commissioner deems necessary. An applicant for a class II-L permit must also submit a statement of the extent of operating authority that the applicant holds under the applicant's existing permit or permits and wishes to include in the new permit or permits, and evidence of the operating authority actually exercised as described in section 221.151, subdivision 1.

(b) The commissioner shall transmit to the board all applications that meet the requirements of paragraph (a). The board shall develop an expedited process for hearing and ruling on applications submitted under this subdivision. Within 60 days after receiving an application under this subdivision, the board shall issue an order approving or denying the issuance of a new certificate or permit. The board shall issue the certificate or permit requested in the application if it finds that the issuance is authorized under this section. An application submitted to the commissioner under this subdivision by September 1, 1992, is deemed approved by the board unless by November 1, 1992, or a later date determined under paragraph (c), the board has issued an order denying the application.

(c) If the board determines that a conversion of a certificate or permit under this subdivision requires a longer period of deliberation than that provided in paragraph (b), the board may prescribe a date: (1) on which a class I certificate or class II permit becomes effective; (2) on which the application for conversion becomes effective unless denied by the board; and (3) on which the certificate or permit being converted expires. The board may not prescribe a date under clauses (1) to (3) that is later than June 30, 1993.

Subd. 4. [AUTHORITY CONVERTED.] (a) The board shall not issue any certificate or permit under this subdivision that authorizes the carrier to serve any geographic area or transport any commodities that the carrier was not authorized to serve or transport under the expiring certificate or permit.

(b) Notwithstanding paragraph (a), the board shall not grant a class II-L permit to an applicant under this section that names points that the permit holder did not serve at any time in the two years before the effective date of this section.

(c) When a person who had been issued before January 1, 1993, an irregular route common carrier permit with authority to transport household goods applies for conversion of that permit to a class II permit under subdivision 3, the board shall issue the applicant, along with a class II permit, a household goods mover permit with

the same operating authority to transport household goods as was granted under the person's irregular route common carrier permit.

(d) When a person who, before January 1, 1993, held an irregular route common carrier permit under which the person transported temperature-controlled commodities applies for conversion of that permit to a class II permit under subdivision 3, the board shall issue the applicant a temperature-controlled commodities permit with authority to operate in the same geographic area authorized under the person's irregular route common carrier permit and a class II permit.

Sec. 31. [TRANSITION.]

By August 1, 1992, the commissioner shall send a notice by certified mail, return receipt requested, to all holders of certificates and permits that expire January 1, 1993, under this act. The notice must summarize the requirements for conversion of the certificates and permits and include an application form for conversion. By August 18, 1992, the commissioner shall send a second notice by certified mail, return receipt requested, to all certificate and permit holders who have not submitted an application for conversion.

Sec. 32. [APPROPRIATION.]

$491,000 is appropriated from the trunk highway fund for the fiscal year ending June 30, 1993, for the purpose of implementing sections 1 to 31. This appropriation is available during the fiscal year ending June 30, 1992. Of this amount, $466,000 is appropriated to the commissioner of transportation and $25,000 is appropriated to the transportation regulation board. The complement of the department of transportation is increased by seven positions.

Sec. 33. [REPEALER.]

Minnesota Statutes 1990, section 221.011, subdivision 11, is repealed.

Sec. 34. [EFFECTIVE DATE.]

Sections 1 to 29 and 33 are effective January 1, 1993. Sections 30 and 31 are effective the day following final enactment. Section 32 is effective July 1, 1992."

Delete the title and insert:

"A bill for an act relating to motor carriers; providing for the expiration of certificates and permits as regular and irregular route carriers of property, and for their conversion to class I certificates

and class II permits; specifying operating authority granted by each class; restricting transfer of certain operating authority; prohibiting the lease of class I certificates and class II permits; increasing registration fees for vehicles of motor carriers; appropriating money; amending Minnesota Statutes 1990, sections 221.011, subdivisions 7, 8, 9, 14, and by adding subdivisions; 221.036, subdivision 1; 221.041; 221.051; 221.061; 221.071, subdivision 1; 221.111; 221.121, subdivisions 1, 4, 6a, and by adding subdivisions; 221.131, subdivisions 2 and 3; 221.141, subdivision 4; and 221.151, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, section 221.011, subdivision 11."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2688, A bill for an act relating to insurance; solvency; making various technical corrections; amending Minnesota Statutes 1990, sections 60A.03, subdivision 6; and 60A.10, subdivision 4; 61B.03, subdivision 5; Minnesota Statutes 1991 Supplement, sections 60A.092, subdivision 3; 60A.11, subdivisions 13 and 20; 60A.112; 60A.12, subdivision 10; 60A.124; and 60D.17, subdivision 1; Laws 1991, chapter 325, article 5, section 6; proposing coding for new law in Minnesota Statutes, chapter 60C; repealing Minnesota Statutes 1991 Supplement, section 72A.206.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2855, A bill for an act relating to agriculture; regulating aquatic farming; protecting certain wildlife populations; amending Minnesota Statutes 1990, sections 97C.203; 97C.301, by adding a subdivision; 97C.345, subdivision 4; 97C.391; and 97C.505, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, sections 97A.475, subdivision 29a; and 97C.209.

Reported the same back with the following amendments:

Delete page 10, line 33 to page 11, line 2, and insert:

"(d) For transportation and stocking of waters that are not public waters:

(1) a bill of lading must be submitted to the regional fisheries manager 72 hours before transporting fish for stocking;

(2) a bill of lading must be submitted to the regional fisheries manager within five days after stocking if the waters to be stocked are confirmed by telecopy or telephone prior to stocking by the regional fisheries office not to be public waters; or

(3) a completed bill of lading may be submitted to the regional fisheries office by telecopy prior to transporting fish for stocking. Confirmation that the waters to be stocked are not public waters may be made by returning the bill of lading by telecopy or in writing, in which cases additional copies need not be submitted to the department of natural resources."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2867, A bill for an act relating to drivers' licenses; increasing fees; appropriating money; amending Minnesota Statutes 1990, section 171.06, subdivision 2.

Reported the same back with the following amendments:

Page 1, delete lines 19 to 22, and insert:

"Sec. 2. Minnesota Statutes 1990, section 177.42, subdivision 6, is amended to read:

Subd. 6. "Prevailing wage rate" means the hourly basic rate of pay plus the contribution for health and welfare benefits, vacation benefits, pension benefits, and any other economic benefit paid to the mode, which is the largest number of workers engaged in the same class of labor within the area and includes, for the purposes of section 177.44, rental rates for truck hire paid to those who own and operate the truck. The prevailing wage rate may not be less than a reasonable and living wage.

Sec. 3. [DRIVERS' LICENSE STANDARDS.]

The commissioner of public safety shall develop new standards for manufacturing Minnesota drivers' licenses and identification cards that provide increased resistance to alteration. On July 1, 1993, the commissioner shall begin issuing driver's licenses and identification cards manufactured according to the new standards."

Page 1, line 23, delete "3." and insert "4."

Page 1, line 24, after the period insert "Section 2 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, delete "appropriating money" and insert "providing for new standards for drivers' licenses and identification cards that increase resistance to alteration; defining a term for purposes of determining prevailing wage rates"

Page 1, line 4, after "2" insert "; and 177.42, subdivision 6"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 1854, A bill for an act relating to appropriations; clarifying the purposes for which a certain appropriation may be spent at Worthington community college.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 804, 1313, 1985, 2032, 2134, 2349, 2368, 2688, 2855 and 2867 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1854 was read for the second time.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 2199.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2199, A bill for an act relating to waste management; defining postconsumer material; emphasizing and clarifying waste reduction; moving from the office of waste management to the environmental quality board the responsibility for supplementary review of waste facility siting; setting requirements for use of labels on products and packages indicating recycled content; amending provisions related to designation of waste; expanding fee exemptions for waste residue from certain construction debris processing facilities; strengthening the requirement for pricing of waste collection based on volume or weight of waste collected; requiring recycled content in and recyclability of telephone directories and requiring recycling of waste directories; changing provisions relating to financial responsibility requirements and low-level radioactive waste; requiring labeling of rechargeable batteries; prohibiting the imposition of fees on the generation of certain hazardous wastes that are reused or recycled; requiring studies on automobile waste, construction debris, and used motor oil; requiring an assessment of regional waste management needs; and making various other amendments and additions related to solid waste management; authorizing rulemaking; providing penalties; amending Minnesota Statutes 1990, sections 16B.121; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.32; 115A.557, subdivision 3; 115A.63, subdivision 3; 115A.81, subdivision 2; 115A.87; 115A.93, by adding a subdivision; 115A.981; 116.12, subdivision 2; 325E.12; 325E.125, subdivision 1; 400.08, subdivisions 4 and 5; 400.161; 473.811, subdivision 5b; and 473.844, subdivision 4; Minnesota Statutes 1991 Supplement, sections

16B.122, subdivision 2; 115A.02; 115A.15, subdivision 9; 115A.411, subdivision 1; 115A.83; 115A.9157, subdivisions 4 and 5; 115A.919, subdivision 3; 115A.93, subdivision 3; 115A.931; 116.07, subdivision 4h; 116.90; 116C.852; and 473.849; Laws 1990, chapter 600, section 7; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; and 325E.

The bill was read for the first time.

Wagenius moved that S. F. No. 2199 and H. F. No. 2150, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. No. 2848.

H. F. No. 2848, A bill for an act relating to state government; ratifying labor agreements; providing for classification changes for certain employees; amending Minnesota Statutes 1990, section 21.85, subdivision 2; Minnesota Statutes 1991 Supplement, section 349A.02, subdivision 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 90 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Farrell	Kelso	Ogren	Sarna
Anderson, R.	Garcia	Kinkel	Olson, E.	Schreiber
Battaglia	Goodno	Knickerbocker	Olson, K.	Segal
Bauerly	Greenfield	Krambeer	Omann	Simoneau
Beard	Gruenes	Krueger	Orenstein	Skoglund
Begich	Hanson	Lasley	Orfield	Solberg
Bertram	Hasskamp	Lieder	Osthoff	Sparby
Bishop	Haukoos	Lourey	Ostrom	Steensma
Bodahl	Hausman	Mariani	Ozment	Thompson
Boo	Jacobs	Marsh	Pauly	Trimble
Brown	Janezich	McEachern	Pelowski	Tunheim
Carlson	Jaros	McGuire	Peterson	Vellenga
Carruthers	Jefferson	Milbert	Pugh	Wagenius
Clark	Jennings	Munger	Reding	Wejcman
Cooper	Johnson, A.	Murphy	Rest	Welle
Dauner	Johnson, R.	Nelson, K.	Rice	Wenzel
Dawkins	Kahn	Nelson, S.	Rodosovich	Winter
Dorn	Kalis	O'Connor	Rukavina	Spk. Long

Those who voted in the negative were:

Abrams	Frerichs	Koppendrayer	Olsen, S.	Swenson
Anderson, R. H.	Girard	Krinkie	Onnen	Tompkins
Bettermann	Gutknecht	Leppik	Pellow	Uphus
Blatz	Hartle	Limmer	Runbeck	Valento
Davids	Heir	Lynch	Schafer	Waltman
Dempsey	Henry	Macklin	Seaberg	Weaver
Dille	Hufnagle	McPherson	Smith	Welker
Erhardt	Hugoson	Morrison	Stanius	
Frederick	Johnson, V.	Newinski	Sviggum	

The bill was passed and its title agreed to.

SPECIAL ORDERS

Welle moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Welle moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Boo moved that the name of Dorn be added as an author on H. F. No. 2286. The motion prevailed.

Hasskamp moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the negative on Monday, April 6, 1992, on the first Dempsey amendment to H. F. No. 2694, as amended." The motion prevailed.

Hasskamp moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the negative on Monday, April 6, 1992, on the Stanius amendment to H. F. No. 2694, as amended." The motion prevailed.

Orfield moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the negative on Tuesday, April 7,

1992, on the Bertram amendment to H. F. No. 1849, as amended." The motion prevailed.

Henry moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the affirmative on Wednesday, April 8, 1992, on final passage of S. F. No. 1558." The motion prevailed.

Kalis moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the affirmative on Wednesday, April 8, 1992, on H. F. No. 1114, as amended by the Senate." The motion prevailed.

Osthoff moved that House Concurrent Resolution No. 14 be recalled from the Committee on General Legislation, Veterans Affairs and Gaming and be re-referred to the Committee on Judiciary. The motion prevailed.

Tunheim moved that H. F. No. 2285 be returned to its author. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2113:

Orenstein; Johnson, A., and Seaberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1722:

Jefferson, Sarna and Boo.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2136:

Farrell, Beard and Dille.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2257:

Winter, Steensma and Dille.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2430:

Krueger, Kinkel and Pellow.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2728:

Wenzel, Bauerly and Omann.

ADJOURNMENT

Welle moved that when the House adjourns today it adjourn until 1:00 p.m., Monday, April 13, 1992. The motion prevailed.

Welle moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Monday, April 13, 1992.

EDWARD A. BURDICK, Chief Clerk, House of Representatives